Wednesday April 27 1988

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# **World News**

# Chirac tackles Le Pen dilemma

French Prime Minister Jacques sure campaign in the second round of the presidential election while President François Mitterrand flew to the West Indies.

Chirac's dilemma was how to Page 4 woo the 14 per cent of the electorate who voted for right-wing National Front leader Jean-Marie Le Pen without alienating the 16 per cent who voted for centre-right candidate Raymond Barre. Page 28; New Caledonia shots,

### Pacific Basin plan

A Pacific Basin organisation on the lines of the OECD was pro-posed yesterday by the US Under-Secretary of State for Eco-nomic Affairs, Mr Allem Wallis, in a speech to the Asia Society in New York.

### Chemobyl all-clear

Soviet officials have decided it is safe to bring 30,000 hectares of land near the Chemobyl nuclear power plant back into cultivation two years after the world's worst mercial nuclear accident.

### Grapefruit banned

Italian health authorities banned sales of grapefruit and ordered the seizure of all supplies after tests showed samples of the fruit had been injected with poison in what was apparently a campaign against Israeli exports. Page 2

### Saudi-Iran row

baum Arabia and Iran were industrial average closed up 8.79 locked in a worsening row over at 2,044.76. Page 50 the number of Iranian relations. Saudi Arabia and Iran were the number of Iranian pilgrims to

# Polish steel strike.

About 4,000 steelworkers went on strike at the Lenin mill in southern Poland and workers at a second mill gave warning of strike action. Poles warned,

# Basque funds seized

Police seized a \$7m war chest of Spanish Basque separatist group ETA after a shootout in Bayonne. southern France

# **Beirut bomb**

Six people were injured when a bomb exploded in Syrian-con-

# India-Pakistan fence

India started building a barbed wire fence along parts of the border between Pakistan and its troubled northern state of Puniab in an attempt to stop the flow of guns and ammunition to Sikh extremists. Page 3

# Mozambique arms aid

Mozambique's Western donors, setting aside aid policies in the face of a protracted guerrilla war, said they would step up military assistance to the Mozambican army and use more aid money to protect their projects from rebel attacks. Page 3

# South Korea poli

South Korea's ruling Democratic Justice Party took an early lead in national assembly elections amid reports that a senior television executive had been sacked over alleged fraud. Page S

### Israel border clash Two Israeli soldiers and three

Arab guerrillas were killed after an armed band crossed Israel's

Sudan children 'seized' Tribal militia abducted soveran hundred children from trains car- jaguar, bundred children from trains car- ying destitute refugees to today launches its first new control of the state of Tribal militia abducted several

# Gabon cannibal

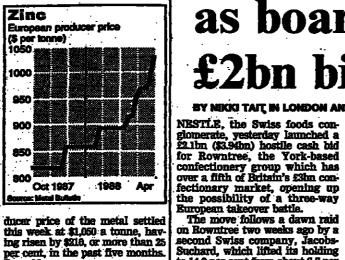
A Gabonese witchdoctor con-fessed to having eaten six people, including two of his own chil-

# **Business Summary Democrats**

# succeed in delaying US trade bill

US DEMOCRATIC leaders suc ceeded on postponing a vote on the 1968 Trade Bill while they scrambled for enough Republican support to override a threatened ntial veto. Karlier story

ZINC price rose to \$1,091 a tonne in early trading on the London Metal Exchange, the highest level for 131/2 years. European pro-



ducer price of the metal settled this week at \$1,050 a tonne, hav-ing risen by \$210, or more than 25

per cent, in the past five months Page 38 LONDON: The market was set alight by Nestlé of Switzerland's takeover offer for Rowntree Mackintosh, with the FT-SE 100 index breaching the 1,800 level,

WALL STREET: The Dow Jones

rising 23.2 to 1,800.8. Page 46

be allowed to visit Mecca this July on the haji (Islamic pilgrimstrengthened its hold in late tradage). Page 3 strengthened its hold in late trad-ing, as the Nikkei average rose moderately to hit another all-time high of 27,339.14. The Nikkei closed 33.32 higher at 27,246.77, scaling a new peak for the second day running. Page 50

DOLLAR closed in New York at DM1.67675, Y125.10, SFr1.3875, FFr5.6950, Bt closed in London at BM1.6750 (DM1.6775); Y124.75 (Y124.80); SFr1.3865 (SFr1.3885); FFr5.69 (FFr5.6950), Page 39

STERLING closed in New York at \$1.8755. It closed in London at \$1.8750 (\$1.8750); DM3.14 (DM3.1450); Y234.0 (Y234.0); SF12.60 (SF12.6025); FF110.6875

(FFr10.6775). Page 39 KOPPERS, US building materials group, has accused investment group BNS of violating federal court orders barring it from attempting to further a \$1.7bn

hostile takeover bid for the com-TEXACO, US oil company which emerged last month from a year under the protection of US bankruptcy courts, has doubled its

first-quarter net profits to \$242m or \$1 a share, against \$118m or 49 cents a share. Page 29 CONFEDERATION of British Industry delivered an upbest assessment of the performance of Britain's manufacturing industry, but warned that sterling's appreciation would threaten

export prospects. Page 11 UK LIFE ASSURANCE industry will be forced to abandon its decades-old cartel which fixed the commissions payable to insuroutlets said the Life Assurance

and Unit Trust Regulatory Organisation. Page 29

ERTHIEHEM STREI, third largest US steel producer, boosted first-quarter net earnings to 85.4m or \$1.23 a share from \$25.6m or 38 cents. Page 29

**NEW CAR registrations in West**ern Europe jumped by 9.1 per cent in the first quarter of this year, compared with the same period in 1987. Page 4

priced in the UK at £38,000 (\$67,500). Page 11

QUAKER OATS, US grocery products and toys group, reported third-quarter net income of \$75m or 94 cents a share, up from \$51.5m or 65 cents. Page 29

al France

# Cartier heads for \$1bn sales after acquisitions coup

watch makers. months. months.

The deal will turn Cartier into He acknowledged, while

NESTLE, the Swiss foods con

to 14.9 per cent from about 2.7 per cent. Suchard said yesterday it did not give up easily and was keeping its options open. Before the Suchard raid, Rown-

Before the Suchard raid, Rownizee shares were trading at 477p. Yesterday they rose well beyond Nestlés hid of 890p a share - upanother 178p to 928p - as the market tried to assess Suchard's response and the possibility of anyone else entering the contest. Nestlé, which takes in Nescafé coffee, Findus frozen foods and Carnation milk, claims to be the

Carnation milk, claims to be the largest food company worldwide with sales of SFr35.2bn (\$25.4bn).

CARTIER, for more than a century the world's most celebrated and expansion in the luxury jeweller, pulled off a major coup industry, said negotiations with yesterday by acquiring control of the Piaget family, which controls watch brand two of the most exclusive Swiss cier, had been going on for 18 which after mounts.

the deal will turn Carrier into
the world's leading manufacturer waiting to appear at a press conof prestige timepieces, as well as
boosting its annual sales to more
than \$1bn.

Mr Alain Perrin, chairman of Piace Vendome, that it had been Cartier International and the "an expensive deal" but declined principal architect of its recent to disclose the cash price of the

Rowntree shares soar

£2bn bid from Nestlé

as board rejects

The alliance between Cartier and the two legendary Swiss watch brands is the latest merger in the luxury goods industry which, after the alliance between Moet-Hannessy and Louis Vuit-ton, has increasingly been the scene of takeovers and other

Mr Perrin said Cartier was interested in Baume et Mercier because it considered the brand

Mints and Smarties, has about a quarter of the chocolate sweets

market, where it ranks second to Cadbury-Schweppes in addition to its confectionery market share.

Nestle's offer was speedily and firmly rejected by Rowntree. The board has already stated,

and continues to believe, that the business can best be developed in the interests of shareholders and

employees as an independent group," it said.

when Suchard launched its dawn raid and lifted its holding from

bought as "a strategic invest

ment". However, it would study its options and decide what to do.

Continued on Page 28

Suchard's annual meeting also

Rowntree was put on bid alert

with Rolex." He added that control 60 per cent of Piaget and between the various brands the of Baume et Mercier. Cartier group will manufacture about 450,000 watches a year.
Cartier expected to complete two other 40 per cent of the two Swiss other acquisitions before the end witch making companies both of which, like Cartier, date back to which, like Cartier, date back to which witch a contury. The outstanding

of this year, he said.

Cartier, 48 per cent owned by Rothmans International and whose shareholders also include Drexel Burnham Lambert and the Belgian Sofina financial group, will control 75 per cent of a new holding company called by a financial company called Luxco, whose shareholders include Rothmans International, Sofina and a number of banks.

# Growth of 2.3%

# cheers markets

in US economy

THE US ECONOMY grew at an rate for 1987. However, demand annual rate of 2.3 per cent in the outside the car market was sub-first quarter of 1988, led by a dued, with the fourth successive strong recovery in business quarterly fall in non-durable pur-investment and in vehicle sales, chases. according to the preliminary estimate from the Department of cent, was little changed from the Commerce.

The savings rate, at 4.6 per cent, was little changed from the 4.8 per cent rate recorded in the

The figures, which were well immediate wake of the October received in the financial markets, stock market crash. Over the also show a strong rise in con-past half year the rate has been a sumer saving, and continued full percentage point higher than moderate inflation. Bond and in 1987, and a half point higher stock prices had been rising for a than in 1986. This increase, if it is

about 2.7 per cent. At the time, suchard said it would not launch an offer for at least one year, although it reserved the right to do so if a full bid came from elsewhere Yesterday, Mr Klaus Jacobs, Suchard chairman, said that its 14.9 per cent interest had been

revised upwards. A strong upward revision would re-ignite recent fears of overheating in the

 with two-thirds of the growth The Dow Jones Industrial concentrated in the computer Average closed up 8.79 at 2,044.76. field. It appears that the industry

3.8 per cent, double the average and Y125.10.

BY ANTHONY HARRIS IN WASHINGTON

week in anticipation of good fig-sustained, is expected to support a further strong improvement in the merchandise trade balance. Both imports and exports grew

week in anticipation of good figures.

Mr Beryl Sprinkel, chairman of President Reagan's council of economic advisers, said the figures were evidence that financial market fears of either recession or inflation this election year were unjustified. "The GNP data released this morning confirm cour view that neither outlook is in the cards," he said.

While the GNP growth rate is sharply lower than the revised 4.8 per cent estimate for the final quarter of 1987, it is strong enough to allay any lingering fears of recession. On past experience, the figure is likely to be revised upwards. A strong upward revision would reignite recent fears of overheating in the domestic economy, but in most

domestic economy, but in most other respects the figures are adds: Early falls in the value of the dollar in the wake of the US strongly encouraging.

Non-farm stockbuilding, which had risen sharply in the fourth quarter, arousing fears of an inventory correction, fell to normal levels. Business equipment

The provisional 2.3 per cent

purchases, which paused in the gain in output in the fourth quarter, rose by \$22.7bm ter was broadly in line with maran annual rate of \$2.5 per cent het expectations.

The Dow Jones Industrial

Concern was, however, voiced has largely overcome the shortage of components which had
earlier led to slower deliveries.

Consumer spending grew

\$23.5bn, in line with rising
incomes, at an annualised rate of

Concern was, however, voiced
contribution from net exports. It
was this factor which led to the
initial, if modest, sell-off of the
dollar.

The dollar closed at DM1.67675

The dollar closed at DM1.67675

# Gorbachev's reforms fail to increase consumer supplies

THE ECONOMIC reforms introduced by Mr Mikhail Gorbachev, the Soviet leader, have boosted industrial production and labour productivity, but critical shortages remain in key areas such as food supplies and consumer goods, as well as machinery manufacture, according to the latest official government statistics.

Figures for the first quarter of 1988 suggest that industrial production grew by 5 per cent, and national income by 4 per cent, compared with the same

Some 400,000 workers were redeployed from industry, construction and transport as a result of perestroika (restructresult of perestronal treatmen-uring) of economic activity, resulting in an increase in labour productivity in indus-try of 5.4 per cent, according to figures from Goskomstat, the state statistics committee.

The Soviet Council of Ministers has sharply criticised a range of government departments, including those responsible for agriculture, fisheries, timber production, building materials and electrical goods for their failure to satisfy

for their failure to satisfy growing domestic demand.

The relatively ballish statistics produced by the Government contrast sharply with those just published in Washington by the Central Intelligence Agency which suggest that the Soviet economy has failed to respond to the Gorbachev reforms. growing hy less chev reforms, growing by less than 1 per cent last year.

However, underlying both analyses are similar conclusions; that the economy under Mr Gorbachev has so far failed to produce the consumer goods needed to persuade ordinary citizens that the upheaval caused by perestroika is a

caused by perestroux is a good thing.

Presenting the figures in Moscow yesterday, Mr Nikolai Belov, deputy chairman of Goskomstat, said that 78,000 enterprises employing some 5im people were now quanting on the full-cost accounting, self-financing principles of perestroika. estroika.

The re prises are significantly better than the results of those which did not choose to convert," he said. "The new economic incentives are contributing to a better overall economic functioning.'

However, the Council of Ministers was quoted in Continued on Page 28 Gorhachev determined over glasnost, Page 2

# Banking nations aim to crack down on fraud BY DAVID LASCELLES IN LORDON AND JOHN WICKS IN ZURICH

INTERNATIONAL banking larly from drugs. This role can country's central bank, supervisors are drawing up a either be played wittingly or Banking supervisors were crime, fraud and tax evasion. meeting in Basle tomorrow.

prevent the abuse of banking secrecy to conceal criminally-acquired funds.

Supervisors have been concerned for some time about the versy over the abuse of Switzer ing co-operation of banking role played by banks in concealland's much-vaunted banking supervisors at an international ing the identity of criminals and secrecy. The code grew out of an level, as well as of the growing tax avaders, and in acting as a earlier "gentleman's agreement" fight against international finan-

supervisors are drawing up a either be played wittingly or code of conduct for banks aimed unwittingly, or by falling to take at stamping out abuses of the adequate steps to check out ch-banking system for purposes of ents and the source of their

ing director tionery market, its share in the

UK market is only about 2 per

But although its chocolate and cent.

Sweets interests give it around 14 Rowntree, by contrast, whose per cent of the European confec-products include KitKat, Polo Page 28; Old loyalties, Page 29;

The proposed code, based on a recent agreement concluded by swiss banks, is expected to be considered by officials from all sure on banks to improve the the major banking nations at a monitoring of their business and place considerable moral pres- proposed code had been prepared. to act swiftly in cases of sus-The two principal undertakings pected crime. It will aim particu-imposed on banks by the Swiss larly at ending the "no questions code are to ascertain the true asked practices that prevail identity of their clients, and to among certain types of banks.

The code on which it will be modelled was adopted voluntarily by Swiss banks last year amid mounting international contro-

unwilling to comment on their plans yesterday. However, the Swiss Federal Banking Commission, the regulatory authority of Swiss banks, said in its recent annual report that a draft of the

Tomorrow's meeting in Basi will also consider the establish-ment of common capital require ments for all banks in the major banking countries. Officials are expected to draft an accord which will be approved by central bank governors in June.

The proposed code of conduct is a further instance of the grow-

# US, Saudi arms deal delayed

proposed \$450m arms sale to the 187 House members sent a letter to Mr George Shultz, Secretary of The Saudis attempted yester State protesting against the sale, day to dampen Congressional and forcing the Administration to concern over the missiles, which delay formal notification to Concan carry nuclear warheads capa-gress. The notification procedure ble of targeting any part of the allows 20 days for consultations Middle East, by announcing that they would sign the Nuclear lawmakers can pass legislation

missiles. Instead, an alternative \$1bn package excluding the May-ericks but including 12 additional

apparently encouraged the Saudis to look elsewhere for arms. The Saudi Ambassador to Washington, Prince Bandar tin Sultan, is said to have personally negotiated the East-Wind missile sale in Peking.

UPROAR in the US Congress veillance aircraft in the Gulf, was forced to scrap plans for a over Saudi Arabia's secret purchase of intermediate range misting US Navy patrolling the strational Landou L siles from China has forced the tegic waterway.

Reagan Administration to delay a

However, 58 US Senators and

Non-Proliferation Treaty.

However, the delay further complicates an already strained it can deliver on its pledges to relationship between Washington and Riyadh over arms supplies.

lawmakers can pass legislation blocking the sale. Officials want the US to show

F-15 jet fighters was agreed. That delay, and other reverse

When the US Ambassador to Saudi Arabia, Mr Hume Horan, delivered a diplomatic protest earlier this year, the Saudis

and Riyadh over arms supplies.

The US Administration would tion which is largely, but not like to proceed swiftly with the exclusively, orchestrated by package because it includes largel and other anti-Arab forces.

Last year, the Administration tina year, the Saudis forced his recall. Mr Horan, one of the foreign service's top Arabitation package because it includes largel and other anti-Arab forces.

Last year, the Administration learner that year, the Saudis forced his recall. Mr Horan, one of the foreign service's top Arabitation learner that year, the Saudis forced his recall. Mr Horan, one of the foreign service's top Arabitation learner that year, the Saudis forced his recall. Mr Horan, one of the foreign service's top Arabitation would like to proceed swiftly with the exclusively, orchestrated by largely and the foreign service's top Arabitation would like to proceed swiftly with the exclusively, orchestrated by largely and the foreign service's top Arabitation would like to proceed swiftly with the exclusively, orchestrated by largely and the foreign service's top Arabitation would like to proceed swiftly with the exclusively and the foreign service's top Arabitation would like to proceed swiftly with the exclusively and the foreign service's top Arabitation would like to proceed swiftly with the exclusively and the foreign service's top Arabitation would like to proceed swiftly with the exclusively and the foreign service's top Arabitation would like to proceed swiftly with the exclusively and the foreign service's top Arabitation would like to proceed swiftly with the exclusively and the foreign service's top Arabitation would like to proceed swiftly with the exclusively and the foreign service's top Arabitation would like to proceed swiftly with the exclusively and the foreign service's top Arabitation would like to proceed swiftly with the exclusively and the foreign service's top Arabitation would like the foreign service's top Arabitation would like the foreign service's top Arabitation would li

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PRESSURES FOR CHANGE INTENSIFY ON HUNGARY'S

COMMUNISTS

Party leader Janos Kadar seems unlikely to concede the long-sought reforms, Page 2 Mexico City: Mexico offers Panama a helping t: When change needs to be kick

Technology: Japanese video technique takes the inside line Nestlé and Rowntree: Buying is smarter than building. Editorial comment: The conduct of newspapers; Mexico sticks to austerity

UK privatisation: Down in the forest, it's time ething stirred ... Lex: Rowntree; corporate auctions; Tarmac

# THE DISCERNING PERSON'S GUIDE TO LONDON

THE COBBLER Where do the well heeled get well shod? One doesn't have to tread far to find the family firm of bespoke hunting boot and shoemakers, Foster & Son, 83 Jermyn Street SW1 (a few hundred paces from Piccadilly at a stretch).

The fine tradition built up during almost 150 years of crafting made - to - measure shoes, is still continued by the Founder's greatgrandson.

There are very few places left on the map where their shoes have not trod. Although the oldest shoemaker in town, they keep quiet about it in an

English sort of way. No less made-to-measure is Le Meridien Hotel in Piccadilly. Fittingly comfortable. elegant, devoted to the details of service. It'll suit you down to the ground. But hush. Not a squeak to a sole.



PICCADILLY

21 PICCADILLY, LONDON WIY-OBH TEL: 91-734 8000. TRAVEL COMPANION OF AIR FRANCE.

NUCLEAR PLANNING GROUP MEETS FOR FIRST TIME SINCE SIGNING OF INF TREATY

# Nato considers how to fill the missiles gap

PROPOSALS for modernising tion before seeking cuts in Nato's European-based nuclear short-range weapons and reduction arms and for filling the gaps ing the country's share of the which will be left by the withdrawal of medium-range ground-last month's Nato summit. At cruise missiles are to be seeking cuts in over 1,000, showed 51 per cent question of where to base these against basing new sea-launched aircraft, the other countries or air-launched missiles in which accepted cruise and Pershing the country's Nato summit. At cruise missiles.

Sarrier officials who report to base these summit approached missiles are to be seeking cuts in over 1,000, showed 51 per cent question of where to base these aircraft, the other countries are summit are summed and the summit are summed as a summed drawal of medium-range ground-last month's Nato summit. At launched missiles are to be examined by defence ministers meet. France, which does not take part the NPG ahea

Nuclear Planning Group has met sary".

Since the US and the Soviet Coinciding with this week's maintain Nato's "flexible talks, the Campaign for Nuclear response" in the light of the INF Nuclear Planning Group has met sary since the US and the Soviet Co

government, has only been a CDU member for five years and has no experience of military affairs or high political office. As a West Berliner, he also escaped

**Dutch must** 

lift curbs

By William Dawkins in

on TV ads

THE DUTCH Government has

been ordered by the European Court of Justice to lift its tough

restrictions on Dutch language cable television advertising car-

ried by foreign channels avail-

comed by the European Commis-sion as giving fresh legal weight to its draft proposal to boost

cross-border competition in the broadcasting industry, currently being held up by West Germany, France and Britain, as well as the

It could also call into question

other barriers to cross-border

television broadcasts elsewhere in the EC, such as those put up against independent British channels by several Belgian cable

network operators.
"This is certainly helpful. It

the Netherlands and is expected to issue a formal warning shortly

unless the Government makes

Mr Rupert Murdoch's Sky

Channel, Super Channel, the British satellite television chan-

nel for Europe, and TV5 of France – the main foreign chan-

nels available on Dutch cable

television - are the most immediate beneficiaries.

The case is the result of a com-plaint against the Dutch Govern-

ment by the country's advertis-ing association, backed by 14

advertising agencies and a cable

television operator. They objected to a national ban on

advertising carried by foreign television channels, bearing Dutch subtitles or aimed specifi-

cally at a local audience.

gives backing to our concept of television without frontiers," said famous legal battle by West Ger-

a Commission spokesman. Brusman season is sels is carrying out its own domestic beer market by excluingulry into restrictions on for eign television advertisements in hence foreign brews.

ing in Brussels today and tomorrow.

It is the first time Nato's nuclear planning) endorsed a policy of keeping the arsenal up to date "where naces-

Disarmament has announced the The meeting has to cope with continuing strong reservations on the part of West Germany, where the remaining ground-based systems — battlefield missiles and artillery — are mostly concentrated. Bonn's objections to rushing ahead with modernisa
Disarmament has announced the ready:

Extra bases for "dual-capa ble" aircraft, able to deliver to updating nuclear arms in either conventional or nuclear weapons, such as the US F-111s tons on further cuts. Opponents currently based in Britain. This included a majority of Conservacious to voters, the CND said. The poll, taken on a sample of just have still to address the delicate being scrapped under the INF towards.

Another proposal, to deploy US E52 bombers with cruise missiles, has been rejected.

Senior officials who report to lands – would be considered the NPG ahead of its six-monthly potential front-runners. ministerial meetings have put forward four main options which could be combined under the INFL

Berlin official to replace Wörner in Bonn

MR RUPERT SCHOLZ, a 50-year—the military service faced by marked understanding for all the sef Strauss, the Bavarian prime old conservative lawyer and for most West Germans.

difficult questions combined in minister.

Literature joins pasta war

THE DIARY of the French writer
André Gide was quoted in the
European Court of Justice in
Luxembourg yesterday as part of
a ringing defence of the high
quality of Italian pasta.

The extract dated 22 June,
1942, which notes admiringly that
the sticky substance "slides down
both sides of the fork." was read
out by Mr Frederico Mancini, the
Advocate General, who was givbasta norm.

Advocate General, who was givpasta norm.

ing his opinion on a complaint He explained that the object

But while the final judgement ment of that dispute could be

Italy inflation may pass 5 per cent

CONSUMER price inflation in per cent and Genoa the lowest at Italy looks likely to have climbed 4.7 per cent. The average national

above the 5 per cent annual rate increase in February and March in April for the first time since last November, according to the monthly price survey conducted

At per cent. The average national art increase in February and March was 4.9 per cent.

If the current inflation rate is

by Istat, the state statistical sustained, then there is no

on the basis of samples taken by Mr Ciriaco De Mita will be in six big cities, prices were able to honour the promise of its between 5 per cent and 5.1 per predecessor, which was led by Mr Cent above levels of April 1987, Giovanni Goria, to adjust direct with Palermo showing the high-tax rates so as to reduce fiscal est annual rate of increase at 5.4 drag by L1,500hn (\$1.2bn).

in that case just over a year ago jeoperdised by any change in the proclaimed that there was more strict application of durum.

tives of the national law were to preserve the quality of the pasta hence the reference to Gide

- and that farmers in parts of Italy cannot grow any other crop. Durum wheat, moreover, has few other uses and, if common wheat was allowed into the rec-

ipe, Mr Mancini estimated that the EC budget costs of buying and selling the surplus on world markets could be anywhere

between Ecu39m (\$48m) and

referred to last year's "pasta war" with the United States

when Washington had imposed additional duties on EC pasta and Brussels had retaliated with an extra penalty on US citrus fruit. He suggested that the settle-

chance that the coalition he

The Advocate General also

ing his opinion on a complaint brought against the Italian law

requiring the exclusive use of durum wheat in the manufacture of dried pasta.

The case involves a West German export company Drei Glocken and Mr Giorgio Zoni, its

Italian importer, who were respectively the subject of fines and criminal proceedings in Italy for attempting to import pasta

made from common wheat (and thus, the Italians claim, detri-

mental to the interests of the

froth than substance to the Bonn wheat.

against Teutonic wheat

• More submarine-launched cruise missiles (not covered by

● A follow-on for the Lance missile. This would have a much longer range than the current 120km, taking advantage of the 500km lower limit for the missiles

Turkish

averted

dam crisis

DISASTER HAS been averted at the site of Turkey's largest dam construction site, the Ata-

turk project on the Euphrates river in the country's south-east plains. Despite a six-month backlog of delayed pay-

building the earth and rock structure has managed to stay ahead of spring flood waters. The situation became criti-

cal on April 17, when the

amount of water entering the dam lake was double the capacity of the diversion tun-nels through the dam itself.

The contractor, ATA Insast, has been forced to accelerate its three-shift operations. The

danger has now eased, say offi-cials of the client State

lydraulics Agency.

If the situation had contin-

serious danger of overtopping, with incalculable conse-

quences. The dam and the amount of water its associated

off are already sore points in

and Iraq downstream.

The dam is the centre-place

of the ambitious South East

Anatolia development project, which sims to turn the region

into a breadbasket for Turkey and its neighbours in the

1990s, not to mention doubling agricultural production.

water from the dam will flow through twin 28km tun-nels to irrigate around 1bn hectares on the Harram plains south of Urfa. An associated power house will have a gener-ating capacity of around 2 4004W

Water from the dam will

No firm decisions are expected from this week's talks, however. British officials said discussions had not yet reached the stage of specific deployment of specific

Under the INF timetable, cruise and Pershing missiles are to be eliminated over a three-year

A fresh concern for the minis ters stems from the latest politi-cal crisis in Denmark, where the meeting was originally planned. Serious worries have been expressed in Nato about the implications of the recent parliamentary vote to tighten the country's nuclear arms ban and

# Bonn bid to revive talks with Turks

old conservative lawyer and former academic from West Berlin, is to succeed Mr Manfred Wörner as West Germany. Defence Minister. Mr Wörner leaves the Government on May 18 to become Nato secretary-general.

Mr Scholz, the Christian Democrat Senator for Justice and Federal Affairs in West Berlin's city government, has only been a CDU member for five years and has no experience of military affairs or bigh political office As a decording to Chancellor Hel
Mr Scholz the Christian Democrat Senator for Justice and Federal Affairs in West Berlin's city government, has only been a CDU member for five years and has no experience of military affairs or bigh political office As a decording to Chancellor Hel
Mr Scholz is taking the preservation of peace in free dom for us Germans.

The new minister also appears to mr for her new minister also appears to mr for a rescheduling of this suggested that defence is being given less political priority at a difficult time. Defence spending has been squeezed, while some suggested that defence is being given less political priority at a difficult time. Defence spending has been squeezed, while some suggested that defence is being given less political priority at a difficult time. Defence spending has been squeezed, while some suggested that defence is being given less political priority at a difficult time. Defence spending has been squeezed, while some suggested that defence is being given less political priority at a difficult time. Defence spending has suggested that defence is being given less political priority at a difficult time. Defence spending has suggested that defence is being given less political priority at a difficult time. Defence of ministers to mr for Justica provide for a rescheduling of this near that the preservation of peace in free dom for a Germans."

However, Mr Scholz is taking the been squeezed, while some suggested that defence is being given less political priority at a difficult time. Defence of suggested that defence is being given less political pri

He said yesterday that nowhere ported him warmly. The appointelese in Europe, and especially in ment, which was widely arry officers are already begin rotating presidency of the Europe, and especially in ment, which was widely arry officers are already begin rotating presidency of the Europe, and especially in ment, which was widely arry officers are already begin rotating presidency of the Europe, and especially in ment, which was widely arry officers are already begin rotating presidency of the Europe, and especially in ment, which was widely arry officers are already begin rotating presidency of the Europe, and especially in ment, which was widely arry officers are already begin rotating presidency of the Europe, and especially in ment, which was widely arry officers are already begin rotating presidency of the Europe, and especially in ment, which was widely arry officers are already begin rotating presidency of the Europe, and especially in ment, which was widely arry officers are already begin rotating presidency of the Europe, and especially in ment, which was widely arry officers are already begin rotating presidency of the Europe, and especially in ment, which was widely arry officers are already begin rotating presidency of the Europe, and especially in ment, which was widely arry officers are already begin rotating presidency of the Europe, and especially in ment, which was widely arry officers are already begin rotating presidency of the Europe, and especially in ment, which was widely arry officers are already begin rotating presidency of the Europe, and especially in ment, which was widely arry officers are already begin rotating presidency of the Europe, and especially in ment, which was widely arry officers are already begin rotating presidency of the Europe, and especially in ment, which was widely in ment, which was widely in the country in the country in the country in the country is all the country in the country in the country in the country is all the country in the country in the country

furthering relations with Tur-

that the textual triumph of Greece, in making a link between the vexed political issue of divided Cyprus and Turkey's eco-nomic relations with the Community, might be short-lived.
"A new statement will have to

Greeks are likely to resist any attempt to wipe out the reference to Cyprus in the joint EC state-ment which was to have been presented at this week's association council meeting. This stated that "Cyprus affects relations between the Community and Turkey.

# impose more formal restrictions on visiting warships.

a joint EC statement, and refused to take part in a planned session of the EC Turkish Association Council on Monday evening.
Among the issues at stake are EC financial aid to Turkey, and promised — but unimplemented — Turkish tariff cuts on imported Community goods.
In a clear damage limitation exercise, Mr Hans Districh Genscher, the West German Foreign Minister, said yesterday he attached "great importance to furthering relations with Tur-

He had agreed with Mr Ali Boser, the Turkish Minister for EC Affairs, that the association council meeting should be held "as soon as possible and defi-nitely within the German presidency". West Germany has always been a key supporter of Turkey both within the BC and

so far that West Germany's diplo macy has been seriously critic-ised, though relations across the

be drawn up to cover the new agenda of a new meeting", Mr

 A call for the European Community to impose wider manda-tory sanctions on South Africa was yesterday put to EC foreign ministers by their counterparts from the African, Caribbean and Pacific (ACP) countries, writes David Buchan in Luxembourg. 2,400MW.

The dam — due for completion in 1992 — will eat up around one third of the DSI's TLL6 trillion (£888m) budget Mr Almoustapha Soumalia, the Niger Planning Minister, said: "The European Community has the means to force South Africa, to make the changes

# Presidential camps trade shots over New Caledonia violence

New Caledonia" and of "throwing hostage by armed pro-indepen-

oll on the flames".

dence Melanesians, the major
Mr Pons also said he was conpolitical candidates initially Socialiste: (FLNKS), the Melane-donia issue.

sian independence movement which had called for the boycott must have contributed to the open prevented from monitoring of last Sunday's presidential vote. at last Sunday's presidential vote strong support for the extreme the count.

THE RIVAL camps in France's and the simultaneous local electron yesterday stepped up their attacks on each other's positions over the problem of New Caledonia, as violence continued in the French Pacific Ocean territory.

Mr Bernard Pons, Minister for years, which he said had inevitably by brought the return of violence and disorder in the islands to an increasing degree of self-degree and disorder in the islands to an increasing degree of self-degree and disorder in the islands to an increasing degree of self-degree and disorder in the islands to an increasing degree of self-degree and disorder in the islands to an increasing degree of self-degree and disorder in the islands to an increasing degree of self-degree and disorder in the islands to an increasing degree of self-degree and disorder in the islands to an increasing degree of self-degree and disorder in the islands to an increasing degree of self-degree and disorder in the islands to an increasing degree of self-degree and disorder in the islands to an increasing degree of self-degree and disorder in the islands to an increasing degree of self-degree and disorder in the islands to an increasing degree of self-degree and disorder in the islands to an increasing degree of self-degree and disorder in the islands to an increasing degree of self-degree and disorder in the islands to an increasing degree of self-degree and disorder in the islands to an increasing degree of self-degree and disorder in the islands to an increasing degree of self-degree and disorder in the islands to an increasing degree of self-degree and disorder in the islands to an increasing degree of self-degree and disorder in the islands to an increasing degree of self-degree and disorder in the islands to an increasing degree of self-degree and disorder in the islands to an increasing degree of self-degree and disorder in the islands to an increasing degree of self-degree and disorder in the islands to an increasing degree of self-degree and disorder in the islands to an increasing degr

firmly into the political arena by asking the Constitutional Council to cancel the vote in New Cale Liberation National Kanak exploitation of the New Cale-Socialiste (FLNKS), the Melane-donia issue.

# **Pressures mount on** Hungarian party

THE RECENT expulsion of four People's Front (PPF).

senior intellectuals and reformers Mr Pokol also calls for an end from the Hungarian Communist to state interference in the Party has heightened political media Hungarian citizens should Party has heightened political media. Hungarian citizens should tension as the party prepares for next month's national conference, the first since 1957.

Both inside and outside the party, pressure is mounting for small for s Both inside and cutside the party, pressure is mounting for greater freedom and diversity in political life, the education system, the trade unions and the regulated and how books are cen-sored, he says.

tem, the trade unions and the per, summed up the feeling in economy. But few expect Mr Hungarian society. The nature Janos Kadar, the party leader, to of the citizen has changed. The earlier common consent (which) was based on the resignation of After Mr Mihaly Bihari, a satior lecturer in politics at the citizens rather than on their Lorand Botvos university in active participation" was over. Budapest, was expelled for "violating party rules," he received institutions in which they could hundreds of calls of support from party members in Budapest and students and even the oncedocile trade unions were now suggesting new independent

Several of his colleagues at the university and in other professions resigned from the party in a gesture of support. One univer-Mr Istvan Kukorali, a secretary of the PPF's constitutional law committee, said recently that workers should have the right to sity colleague who resigned. Mr Bela Pokol, has warned of "social tensions" leading to an "explo-sion" if political reform is join a trade union voluntarily as well as form free trade unions. delayed much longer.
In the forthcoming issue of the Within the universities, students are now calling for independent-students' unions. Kisz, the Comiberal monthly Mozgo Vilag, Mr

Pokol calls for alternative political groupings to be institutionalised through the setting up of a second chamber in the parliament. This, he says, should be linked to a reduction in the political powers of the state.

These victors are broadly in the second chamber of the state. reform of the university curricu-lum. Mr Kalman Szakacs, head of the-scientific socialism departse views are broadly in tune with those of Mr Imre ment at the Lorand Ectvos uni-Pozsgay, a prominent reformer versity, recently suggested mak-within the party and chairman of ing certain Marxist subjects the Communist-backed Patriotic optional.

# Gorbachev is 'determined' over Glasnost

regulated and how books are censored, he says.

Mr Pozsgay, in a recent issue of Magyar Nemzet, the PPF newspaper, summed up the feeling in

cratic process."

Mr Burlatsky said Mr Gorbachev intended to overhaul the legal system and the courts, to "renovate" legislation on religion and the churches, and to update and the churches, and to update the law on non-party groups.

The commission, which Mr Buriatsky said "should have been set up 10 years ago," would try to ensure implementation of these changes and act as a bridge between unofficial or independent groups and the authorities. It had already received 1,700 letters from the public, mostly related to questions of human rights and many of them seeking

rights and many of them seeking information about nationality rights.
"The national minorities in the past have been the most valuera-hie part [of the system]," Mr Bur-laisky said, adding that for years, the Soviet authorities had "stuck to a primitive principle: what the majority wanted, the minority would have to accept."

Significantly, in the light of recent ethnic unrest in Armenia, he said that the authorities "should not have abandoned

# Italy bans grapefruit sales after poisoned fruit found

THE ITALIAN health authorities with the Italian authorities to yesterday ordered the withdrawal establish whether the problem and seizure of all grapefruit from shops and markets around the country, following the discovery that some fruits appear to have been deliberately injected with

The Health Ministry last night appealed to Italians not to eat any grapefruit in their possession or crush them for drinking. No cases of poisoning have yet been reported nor has the origin of the affected grapefruit been identi-

First suspicions appear to have been cast in the direction of Israel because of the possibilities of political sabotage. The Israeli embassy in Rome said last night

was "an isolated case, an act of madness or of terrorism."

Mr Violenzio Ziantoni, health councillor for the Lazio region, revealed that an anonymous telephone call had been received in Rome on April 19 warning that some fruit had been poisoned. He said that samples had been taken from a Roman street market and immediately tested on guinea pigs. Three of the animals had subsequently died and 18 poisoned grapefuit identified.

It had not yet been possible to establish what kind of poison has been used but it was dark blue and, certainly very strong, added

# Poles warned against illegal pay pressures

THE POLISH Government spokesman yesterday urged workers to use legal channels to pursue their wage demands and warned that increases could lead

to price rises. Mr Jerzy Urban, the govern ment spokesman, made the plea in the aftermath of a 12-hour wildcat strike on Monday by bus and tram drivers in Bydgoazcz which ended after the local authorities conceded a 60 per cent wage increase.

He admitted that "tensions

relating to pay" would continue but that wages and prices growth this year were not yet cause for

Talks have started with the official public transport union which is demanding a new national wage system, and whose members led the Bydgoszcz members let the Bylgoszcz strike once it had started. Meanwhile Mr Lech Walesa, the Solidarity leader, suggested that the Government had ordered the official union to take over the

Bydgoszcz strike. He warned that the situation in

Poland "was getting hot" and that such strikes could recur at

any time.

Steel workers demanding pay increases and a reinstatement of the Solidarity leaders sacked with the onset of martial law in 1981 went on strike yesterday in the certain Relative Pality state.

day in the southern Polish city of Krakow.

According to Solidarity sources, the strike spread from the rolling mill in the giant Nowahuta works to other departments and by the early evening a quarter of the plant which employs some 30,000 was involved in the stoppage.

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It is not easy to feel sympathy for Krupp, one of the lattering giants of West German heavy industry. But the company's seemingly interminable struggle to close the heavily loss-making Rheinhausen steel works in the complex and costly business closing a large plant in Germany is — especially if it produces seel or coal.

There are two large huntles to clear, both of which were raised sharply by Social Democrat legislation in the early and indistings, has a casting to the workforce may have up to haif the votes — that the closure is justified, and this usually means that the company faces bankruptve without closure. See heart of the shareholders and works in the early and indisting legislation in the early and indicating legislation in the early and indisting legislation in the early and

David Goodhart on the legislation and lengthy talks behind unemployment in West German industry

Krupp steels itself against the social costs of closures

negotiated with the plant's works council. The advantage of such close collaboration with the workforce is that confrontation - such as that at Rheinhausen - is very rare in Germany. However the process may take years and cost hundreds of millions of deutsche-

The unflappable professor, who works in a small, bare, office near the centre of Bonn, is the neutral 21st member of the Krupp supervisory board, 10 of whose members – representing shareholders - have been pressing for closure since the end of last year, while the

other 10 - representing the

plant closure for years, although he will not of course reveal how he has chosen. He seems coolly unperturbed the kind to give into pressure I wouldn't have the job. I don't depend on either side for my

plant last week. When the deci-sion does come it may be staggered over 18 months as was the case with the Mannesmann plant over the Rhine, where much of the workforce and production are being trans-

But when Prof Krelle's decision is announced it will be a relief even to the union, IG Metall, which has had difficulty controlling its members, and the Social Democratic which approximate which state government, which believes the dispute has dam-aged its industrial image.

than DM40,000.

However, according to Mr
Ruprecht Vondran, of the Wirtschaftsvereinigung Eisen und
Stahlindustrie, the cost per man
of a social plan in the steel industry is now DM75,000. Although
the costs of steel social plans are divided three ways between the companies, local and central government and Brussels Mr Von-dran still maintains that the steelcompanies alone have paid out a staggering DM7bn since 1980. The

cost to Krupp of closing Rhein-hausen is estimated at DML4bn. although half of that will be paid by Mannesmann which is also board said I could not. It took taking on 2,150 of the 5,300 work-years to negotiate and sometimes According to Mr Ernst Pieper, who runs the state owned Salzgit-



the works council. The number of steel workers ter industrial conglumerate, one leaving the industry via social reason for the astronomical costs plans was only 9 per cent in 1975 plans was only 9 per cent in 1975 of steel closures is that the superand is now over-50 per cent. The visory boards often end up saying main union, IG Metall, which has that you can close a plant but several of its senior personnel on only with agreement on a social several of its senior personner of plan, "which enormously boards is not blind to the cost strengthens the union's hand".

Mr Pleper, who is ironically this rise, its response is now to one of the Social Democrats' leading industrialists, says he has made 17 000 steff redundant over the strength of th made 17,000 staff redundant over are announced. This, however, the past few years at a social can take even longer to negotiate plan cost of DM500m. "But time as Krupp — which is guarantee is a huge cost too. In 1978 I ing a job to every Rheinhausen wanted to close a plant and the worker — has been discovering."

years to negotiate and sometimes I spent half my day talking with

marks and complaints from industrialists that it is slowing restructuring get louder every The loudest complaints come from steel companies whose workforces enjoy peculiar privileges. The chairman of one of Krupp's main competitors said recently: "Social plan costs are starting to make business unvia-

means that the company faces bankruptcy without closure. Second, a "social plan" to minimise

Unflappable professor at the heart of the decision PROFESSOR Withelm Krelle, an austere looking 71-year-old economics professor at Bonn University, is the man who

will - barring last minute sur-prises - close Krupp's Rhein-hausen steel works in the

workforce - have been doing all they can to prevent it.

Prof Krelle was chosen by both sides 16 years ago from the list of the neutral "great and good" - usually retired centrist politicians or academics. And he now has the uneavishle task of anothering West iable task of concluding West Germany's most controversial

by the responsibility. "If I was

salary so I am free to decide objectively." What criterion does he employ in coming to his decision? "Each member of the board has to look at the interests of the firm as a whole. If the firm as a whole is endangered then you have to take harsh decisions."

Given that closure has been a foregone conclusion for months, such a comment does not speak well of Krupp's underlying financial health. Final decision on closure has again been delayed for a few weeks following a strike at the

# **OVERSEAS NEWS**

# Attacks inflame Saudi-Iran row over pilgrimage

BY FRIN BARRE IN RIYADH

A WORSENING row between Other bombs have been found Saudi Arabia and Iran over the at oil installations, including the number of Iranian pilgrims to be Shell-Petromin joint venture allowed to visit the holy city of (Islamic pilgrimage) has been accompanied by a series of homb attacks on Saudi interests both within and outside the Kingdom. Iran, which wishes to send 160,000 pilgrims on the haji this suspected by the Sunui najority year, has been rebuffed by the Saudis, who say only 45,000 Iranians will be allowed to enter. Last year, the Iranians sent up to

year, the Iranians sent up to 160,000 pilgrims, some of whom started riots that resulted in 402 deaths and more than 600 inju-

marbacher's

lefermine;

~ `ABC

Last week an Iranian delega-tion negotiating the number of pilgrims to be admitted to the Kingdom went home emp-ty-handed.

But in March a series of bomb-which begins this year on July

ings took place at overseas offices of the national airline Sau-dia and at petrochemical and oil installations within Saudi Arabia. Diplomats in the King-dom say there is no proof that the franians were involved but that "the timing is suspicious." The most serious bomb incident took place in the early evening of March 28 at Sadaf, a petrocical plant in Jubail operated as a joint venture between Royal Dutch/Shell's US subsidiary and the Saudi Basic Industries Corp (Sabic). The blast damaged an ethylene storage tank and caused a large fire. State-owned Sabic

Shell-Petromin joint venture export refinery, also in Jubail. Security in the Eastern province

co-religionists in Iran.
In addition to the bombing and attempted bombings in the Eastern province, bombs have been detonated in recent weeks outside Saudia offices in Tokyo, Frankfurt and Katachi.

14. They are anxious to avoid a repetition of last year's bloody riots, in which seme frantan pilgrims armed with pointed weapons battled with Saudi troops ouiside Mecca's Grand Mosque.

The Saudi stance has been backed by the Islamic Conference Organisation at a meeting of foreign ministers in Amman last

It approved a measure which would allow member states to as a joint venture netween koyai
Dutch/Shell's US subsidiary and
the Saudi Basic Industries Corp
the Saudi Basic Industries Corp
(Sahic). The blast damaged an practice for most countries. The
ethylene storage tank and caused
a large fire. State-owned Sabic
the meeting, aware that the meaclaimed the explosion was due to
the meeting, aware that the meatagent of the meeting against Teh-

# Israelis kill 3 on border

They said fighting broke out and dropped flare bombs in a follow-up search.

Kfar Shouha lies in Israel's self-declared "security zone" – a mile north of the border. Three Israeli soldiers were wounded in the clash, they added.

The identity of the greenilles are supplied that the clash are supplied to the clash from th

ISRAELI troops shot dead three was not immediately known. Sev-guerrillas trying to infiltrate eral anti-Israeli Moslem funda-Israel from south Lebanon yester-day, security officials said, Ren-ter reports from Marjayoun, Leb-gunships raked the area with achine gun fire after the clash

The identity of the guerrillas guerrilla attack.



S Korean

leads poll

ruling party

SOUTH KOREA'S ruling Dem

SOUTH KORKA'S raung Democratic Justice Party took an early lead in the country's National Assembly election yesterday and reports that a senior television executive had

been sacked over alleged

Turnout was uncharacteris-

places - suggesting that voters were less interested in the election than they had been last December, when the presidential election won by Mr.

Roh Tae Woo saw voting levels of more than 85 per cent. Suspicion that the televised results may have been tamp-

ered with grew after an appar

ent result in one constituency was broadcast the day before the election. Several hundred

people protested over what was described as a "rehearsal

was described as a "rehearsal to test new computer programmes" and yesterday the local TV chief was dismissed.

The opposition Party for Peace and Democracy, led by Mr Kim Dae Jung which has repeatedly claimed that the presidential election was manifolished by accounter was

manipulated by computer, was making a strong showing in second place yesterday accord-ing to early returns.

Several small demonstra-tions took place during the

vent fraud.

# Mozambique's donors to step up military aid

donors, setting aside traditional aid policies in the face of a protracted guerrilla war, said vesterday they would step up ference on emergency needs over military assistance to the Mozam-

bican army and use more sid money to protect their projects from rebel attacks.

the next two years.

About £750,000 will go to Mozambicans and Zimbabweans

Britain is providing some 22m from Zimbabwe to Maputo port.
In non-lethal aid, such as vehicles, communications bican soldiers and has taken the systems and uniforms to troops from various countries operating in and careful and carefu from various countries operating tance to Mozambique, an offi; in and around Mozambique, cially Marxist-Leninist state sup-according to delegates at a con-ported by East Ricc advisers and

However, the donations are all

900 meticals to the dollar.

weapons shipments. Spain, Portuneed training, clothes and food in gal and Italy have followed suit the fight against the rebels of the and are helping with training or Mozambique National Resistance, can multinational with interest. supply of Mozambican security a shadowy organisation set up by in mining, industry and agriculforces.

Rhodesia and later supported by ture, paid a surprise visit to

More surprising is the growing

South Africa.

Donors are increasingly commitment to security shown by countries such as Sweden, and fig to the conclusion that there is no point paying for food congly announced in Maputo that Sweden would break from its previous policy and provide its previous policy and provide money to pay for the security of its projects.

Mozambican troops desperately

South Africa.

Donors are increasingly committees the conclusion that there is no point paying for food considered the Sweden would break from mines in the widespread violence. Airlifting of food is extraordities a senior Anglo American official and quoted Mr Relly as mentioning the possibility of developing natural gas fields and forestry.

# Joseph Hanlon, recently in Mozambique, reports on a World Bank/IMF recovery plan Maputo wrestles with inflation

ONE OF the most far-reaching that the main problem is South economic reform programmes in Africa's continuing support for Africa is underway in Morambique, the ostensibly marxist east Resistance (MNR), not natural African state. Its pragmatism has disaster or economic mismanagewon the support of US President ment.

However, future progress is tabilisation at present dominate dependent on increased international support, as well as on some risky economic policy decisions.

Last year. Mozambiana successions.

The international destabilisation which the bloomet quantum most constitution.

Last year, Mozambique sucputs the biggest question which
cessfully renegotiated its London over Mozambique's economic
and Paris club debts, and recovery programme (ERP). The
received concessional assistance rebels have destroyed tea and
of \$557m. However, the IMF and sugar factories and cut the railthe World Bank admit even this way to the coal mines. Attacks
is not enough. In an economic on roads and on district towns

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The World Bank admit even this way to the coal mines and the IMF. The agreed with the World Bank and the IMF. The agreed package includes an II-fold deval
The World Bank admit the World Bank and the IMF. The agreed with the World Ban

concessions.

Mr Abdul Megid Osman, the marketing is well below normance Minister, said: "Interest payments this year will be more alised family production rose 27 than 100 per cent of our exports. per cent last year. Mr Osman Germany – to accept lower inter—"to move the centre of gravity of est rates. If this does not happen the economy from the city to the we will be in serious trouble."

tions took place during the voting, which was generally peaceful, reflecting the marked lack of entimelasm. In Ulsam where the son of the chairman of the Hymnai group, one of South Korea's largest companies, is standing for election against a workers' representative, voters were reported to be guarding ballot boxes to prevent frand. emergency essistance. The conference is apparently the first such UN meeting to be in the country itself, rather than in Geneva or New York.

It is also unique in that the UN shelves. It is not surprising that

Ronald Reagan and Mrs Margaret
That appeal issued by the UN
Thatcher, the British Prime Minister.

However future progress is

The appeal issued by the UN
Secretary General stressed that
the "effects of South African des-

Ous."

Consequently, exports are only one third of their 1981 levels and debt repayments, Mozambique are likely to remain depressed. Similarly local food production and marketing is well below nor-

We are trying to convince our pointed to this as one of the most major creditors - Britain, important successes of the ERP, France, the US, Japan, and West because the goal of the ERP was

we will be in serious trouns.

This week Mozambique and the
United Nations is hosting an increase in producer prices and
international donors conference the widespread availability of
in an attempt to raise \$378m in consumer goods in rural zones. and the donor community are unsold shoes, radios, cigarettes, backing Mozambique's argument and other goods are building up

This files directly in the face of rises last month did not compen-attempts to stimulate industrial sate.

production, which had fallen well production, which had fallen well below 50 per cent of capacity. The stimulate the economy with a slong that the stimulate the economy with a long that the stimulate the economy with a long that the stimulate that the economy with the slon

Programme is proposing a "food bank" which would supply extra food to productive workers, but at market prices.

Cutting one kind of public expenditure while increasing another in part reflects the dis-pute between the IMF and the World Bank over policy toward Mozambique. The fund is worried be the tending. In an establish the public and private blast month, they argue that cashew nois and cotton as well workforce, reductions in price Mozambique needs at least \$100m as food crops. Almost 30 per cent and allocation controls, higher a year more of aid, and that "the of the rural population has been interest purden remains oner directly affected by the war.

Consequently affected by the war.

Consequently affected by the war. The first phase of the ERP worked well. It imposed financial been so rapid that it is creating a discipline on public and private companies accustomed to permanent deficits. It also restored a realistic trading value to a second to be that neither knows how to deal with a war

realistic trading value to a cur-rency which had lost most of its rency which had lost most of its One goal of the KRP is to make value – the black market industrial workers and civil serenchange rate fell from 1,800 to vants more efficient and productiva. However, Mr Fernando However, mr Fernando History from Mario Jose, treasurer of Mozamight published a parliament ter than incomes, and this has bique's largest food company, to the horizont buying power. Mr Osman warned: "We are now going to admits that even with higher producer prices, purchasing power in the countryside is not rising insufficient for all their needs."

This Indian Government I will be the says that there are now going to no evidence of any "commission" or bribes having been paid anyone" on a \$1.4m howitzer a contract with Bofors of Swed fast enough to absorb the increased industrial production. Even if they do not steal directly, workers are spending less time at their desks and work-benches as they attempttry to Nor will these goods be sold in the cities, because of a policy decision to squeeze the cities

more than the rural areas. Urban buy food. this month by the controversial of silent resistance. The danger is decision to remove food subsi-that absenteeism, that, and even dies. The prices of staple foods sabotage may stifle the ERP.

find other ways to earn money to

# **Indians** to fence out **Pakistan**

INDIA has this week started

fencing is being erected about 150 yards from the border at key access points used by smugglers of arms, gold and other goods. Border patrols are also being increased and more fencing is being erected to the north in the state of Jammu and Kashmir.

During the past few weeks there has been a sharp increase in terrorist activity in the Punhave been killed this year. Sikh terrorists have started using AK47 assault rifles in many attacks, plus some rocket gre-nade launchers.

# No Bofors bribe evidence found

THE Indian Government last report which says that there is or bribes having been paid to anyone" on a \$1.4bm howitzer gun contract with Bofors of Swed John Elliott writes.

made against the Indian Govern-ment a year ago. Last Friday an uments purporting to show that the Hindujas, a European-based Indian family, received pay-ments. The Hindujas say the doc-

The Rolls-Royce 535E4 turbofan has been selected by the International Leisure Group to power the Boeing 757s which will form the basis of the future fleet expansion plans of Air Europe and its sister airline Air Europa.

The Rolls-Royce 535E4 engine is quiet and fuel efficient. And above all, highly reliable. An attractive characteristic for an operator with aircraft utilisations among the highest in the business.

It is expected this will bring the total International Leisure Group fleet of Boeing 757 aircraft to 30 over the next five years - all powered by Rolls-Royce.

Clearly they've found a power source that

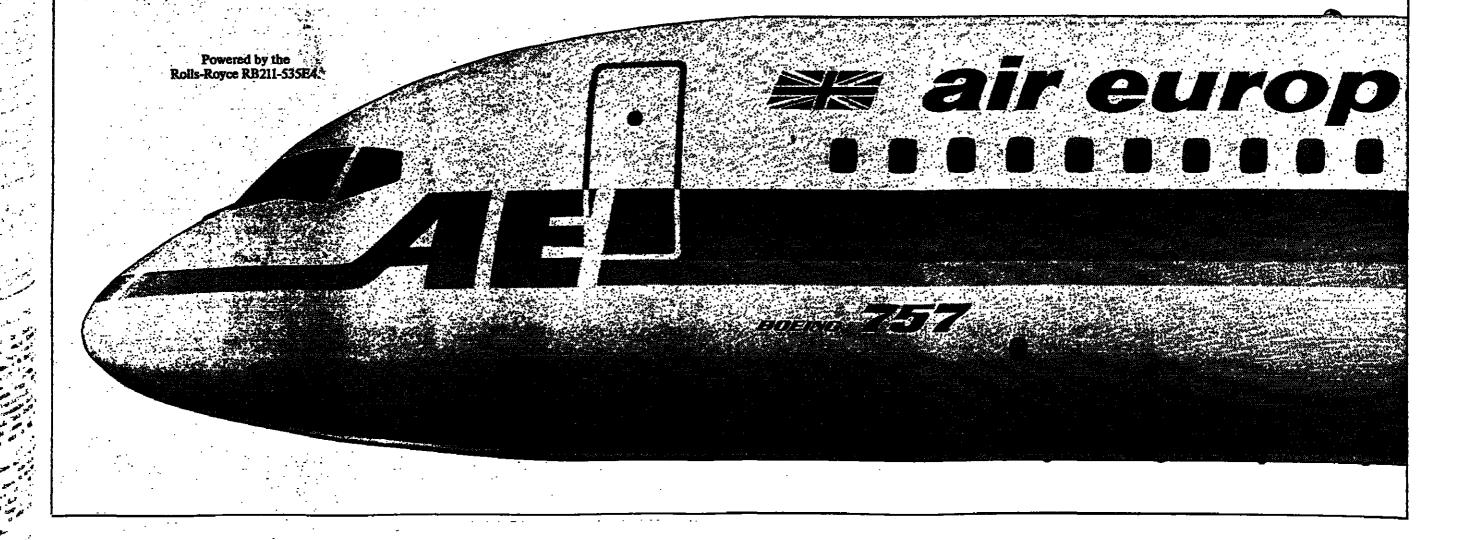
matches their top priorities - cost efficiency and a

better deal for the customer.

Not surprisingly, the 535 engine is favoured by more than three quarters of customers for the Boeing 757.



ROLLS-ROYCE plc, 65 BUCKINGHAM GATE, LONDON SWIE 6AT.



THE REAGAN Administration hand. Democratic leaders have in was last night lobbying heavily recent days warned that this Bill in its battle over the 1988 Trade may be the only one the Presi-Bill by seeking assurances that dent will have the opportunity to Bill by seeking assurances that dent will have the opportunity to Republic senators would support sign. Senator Lloyd Bentsen, an expected presidential veto.

be on the President garnering the labour would oppose any Bill 34 votes needed in the Senate to which does not have a plant clossustain a veto, labour lobbyists ing provision. and Democratic leaders were working strenuously for a two-thirds majority – the vote necessary to override a presidential

Whatever the outcome, the Democrats appear to have emerged politically in a no-lose position. The President has threatened his veto over the pro-vision requiring 60 days notice of

plant closings.

However, recent polls show the measure has overwhelming support by the American public so that a victory by the president on the veto would only hand Democrats a powerful election year issue in November.

With this political advantage in in our tow, we understand, but please at least say goodbye," he said.

Senator Brock Adams, a Washington Democrat, attacked the "golden parachutes" given to executives who lose their jobs and called for "simple justice" for plant workers.

# World Court rules against Mr Jackson, sounding in his speeches more and more like Dr Martin Luther King, continues to **US over PLO mission**

against the US attempt to unilaterally shut down the Palestine as well as by the UN administration at the United Nations in At the request of the UN Gen-

sion at the United Nations in New York, AP reports from the Hague, Netherlands.

The ruling implicitly condemned the US move to close the PLO mission by supporting the UN position that the dispute must be submitted to independent arbitration.

At the request of the UN General Assembly. Mr Javier Perez de Cuellar, UN Secretary General, filed the court case on March 9 in the form of a request for a legal opinion on whether the dispute is subject to arbitration.

dent arbitration, It was the court's second ruling against the US in two years.

In 1986 the court, formally
known as the International Court
the Headquarters Agreement of of Justice, condemned as a viola-tion of international law the Rea-tion of international law the Rea-gan Administration's support for of the dispute between the United gan Administration's support for the Contra rebels fighting Nicaragua's Sandinista government.

chairman of the Finance Commit The lobbying was taking place as the Senate last night prepared in the Senate, said his committee to vote on the bill, which was passed by the House of Represention to write and would likely be tatives with a big majority last too busy to write another bill this

The AFL-CIO spokesman said ing provision. Senator John Breaux, a Louis-

ties need advance notice of lay-offs so they can begin worker retraining programmes.
Businesses, he argued, are

quite ready to accept special tax advantages, free land, roads and in a town. "If you cannot make it in our tow, we understand, but

"The court unanimously is of States of America and the United Nations," said the ruling by the The attempt to shut down the judges of the court, the UN's judi-PLO mission has been con- cial arm.

# **Dukakis sets** sights on big win in

sights on a big victory in the Panama crisis.

Pennsylvania primary election to Panama's effo propel him towards the Democratic presidential nomination.

Polls showed that Mr Dukakis held a large lead over his sole rival, the Rev Jesse Jackson, the black former civil rights activist tral banks - to enable Panama's who is struggling in this predominantly white and Roman Catho-

On the Republican side, Vice-President George Bush looked certain to lift his delegate total above the 1,139 needed to capture the nomination at the August convention in New Orleans. Mr Dukakis, while recognised as the favourite for the Democratic nomination, has conducted a low-key campaign avoiding

a low-key campaign avoiding attacks on Mr Jackson and attracting respectful if hardly enthusiastic audiences.

With some 1,075 delegates under his belt, he is still a long way short of the 2,082 delegate majority required at the Democratic convention in Atlanta in July Rut a win in Pennsylvania. July. But a win in Pennsylvania, where 178 delegates are at stake on a winner-take-all basis by con-gressional district, would give him a boost ahead of next week's

contests in the industrial states of Ohio and Indiana.

draw big crowds. He commands 836 delegates, but his campaign has faltered this week over statements about how, as President, he would deal

now, as President, ne would dear
with terrorists.
At one point, Mr Jackson
described South Africa as a
nation that "sponsors and conducts" terrorism. He also
suggested - but later backed off
- that he might as President
grant terrorists immunity from
prosecution and freedom of passage in return for the release of sage in return for the release of

encourage the cautious Mr Dukakis to consider offering a place on the Democratic presidential ticket to Mr Jackson, whatever his strength in the popular vote. However, in a televi-sion interview yesterday, Mr Jimmy Carter, the former Demo-cratic president, said a Dukakis Jackson ticket would be "amaz-ingly attractive."

# David Gardner reports on the reasons behind an unmistakable gesture of solidarity

# Mexico offers Panama a helping hand

Pennsylvania

By Lionel Barber in
Washington

GOVERNOR Michael Dukakis of Massachusetts yesterday set his sights on a big victory in the

Panama's efforts to end its diplomatic near-isolation in the region now hinge on persuading Latin America to operate an emergency clearing house probably through a group of cenbanking system to reopen. The country's 125 banks bave been closed since March 4, after the Banco Nacional de Panama announced it could no longer supply the US dollars which are

In the communique announce ing the decision Mexico said it "will offer (Panama) the facilities to obtain oil within the framework of the San Jose Pact until the problems caused by the crisis are overcome" and describes its move as "an act of solidarity".

Mexico normally supplies half Panama's needs of 25,000 barrels a day under the concessionary terms of the seven-year-old San Jose agreement it operates with Venezuela for poor Central Amer-ican and Caribbean nations. Venezuela and Ecuador supply

Now Mexico has undertaken to oil, further lower interest rates on the credit lines underpinning the transaction and postpone indefinitely collection of Panama-nian oil bill arrears of \$23m, Mexican diplomats say.

Furthermore, Mexico's national



Mexico's action may tilt the balance away from President Reagan towards General Noriega

Even though in recent weeks tion has spread through the public employees have been part. Mexican administration and secupaid in bags of small change by rity forces. paid in bags of small change by the bankrupt Government, this will have little practical effect on nations, most of them Latin the oddest symptom of the Pan-American, which are part of the production, distribution and finding chain for narcotics reachsanctions and government cash-flow problems. But as a gesture

its intent is mmistakable.

The Mexican Government has many motives to come to the aid of Gen Noriega. This is despite the fact that Mexico and nearly all other Latin American govern-ments would nevertheless like to see him step down as armed forces chief and de facto ruler of Panama to clear the way for a

transition to democracy.

But the single incident around which these motives coalesced came nearly two weeks ago when the US Senate voted by a large margin to "decertify" Mexico as a country already cartified by Presmint last week signed an agree ident Resgan for its co-operation ment to supply Panama with the in the fight against drugs trafcoins it normally has minted in ficking. This followed US allega-

Parama was decertified early narios of brown men wielding the in the carrent crisis and Gen Communist manifesto and bags Noriega's indictment on serious of cocaine".

future US Administrations could use the drags issue as a pretext to undermine not only Mexico, but governments in Peru, Colombia, Bolivia, or any other of the growing number of countries being sucked into the spreading international narcotics network. Many observers in Latin America stress that drugs are already displacing left-wing insurgency as the perceived external threat from this region for the 1990s for

drugs charges by two federal The drugs issue is a new juries in Florida is the main justification the US offers for its campaign to overthrow him.

The fear that diplomats from the region, underline is that thurse US added the region.

latest figurehead civilian presi-dent. Mr Eric Arturo Delvalle, on February 26, countries like Argentina and Uruguay, which have relatively recently re-estab-lished civilian rule, withdrew their ambassadors. The Group of Eight, a mechanism for co-ordina-ting regional debt, trade and political policy made up of Argen-tina, Brazil, Colombia, Mexico,

as the perceived external threat from this region for the 1990s for US politicians. Hondiness, the Mexican administration and seen rity forces.

Good conduct certificates for nations, most of them Latin American, which are part of the production, distribution and find another, chain for narcotics reaching the vast American drugs maniet, lext, have been required by US and face offet decisive US wince 1998.

Decertified offensiors lose US and face offeth decisive US to not US disregard of Honduran by the catalyst which tons such as the World Bank.

This is a scademic in Mexico's case, since if will receive US side for its army and 60 per campaign, to which it devotes a quarter of its army and 60 per cent of its Athorney General's budget, and President Reagan vetoed the Senake decision any way.

But Mexican officials were indigened at the meaning of the inability of the US to face its and regions of the political policy made up of Argenter from this region for the 1990s for the Indiana. Hondines, the World Rank.

This is a scademic in Mexico's case, since if only receives US side for its army and 60 per cent of its army and 60 per cent

# World Bank hits at 'chaos' in Brazilian social sector

A CONFIDENTIAL World Bank report has unveiled a picture of widespread haffi-ciency, poor resource alloca-tion and chaotic administra-

The study, conducted over the last six months by a World Bank human resources team, has been leaked in the Brazil-

ian press.
It claims that funds allo-

ing to get through to the pourest segments of the population, but are instead benefiting higher income

groups.

The report alleges that the least wealthy fifth of the Brazilian population receives only 8 per cent of total social bene-

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curative Mospital treatment. Only 15 per cent is targeted at preventative care such as immunisation programmes and child health, despite the superior cost-effectiveness of such schemes.

The report is also critical of the highly bureaucratic man-agement of funds which involve substantial losses in administrative costs before the ultimate beneficiary is

of an object of rare perfection.

you - to be part of your

life - simply because this is the way we've always

And if we may draw a con-

dusion from five genera-

be this. choose once but

because it's for a lifetime.

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We know the feeling well. We experience it every time

a Patek Philippe leaves the hands of our craftsmen. You can call it pride. For us it lasts a moment; for you,

become aware that this watch has the presence

firmed the existence of the study yesterday, but claimed that a draft version published in the Brazilian press had since undergone some revi-sions of figures and state-

The social sector study was made in collaboration with the Brazilian Government which knows there are problems and wants to correct them," he

Bessel Barrier Commence

holding funds for Brazil until improvements in administra-tion were achieved. Of more than \$2bu in loans

due to be approved for Brazil in the Bank's current fiscal year, ending in June, only \$288.5m have been disbursed.

But the delays have been due to slow decision making in Brasilia, not in Washington, the Bank claimed.

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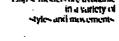


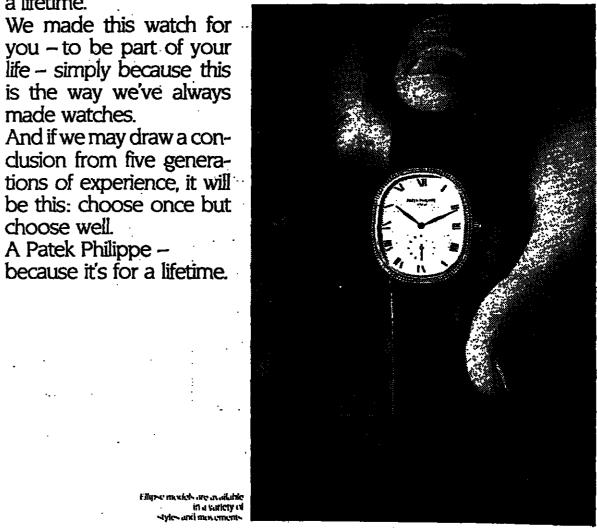
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At exclusive Patek Philippe showroom 15 New Bond Street, London WIY 9PF Tel. 01/493 88 66

Financial Times Wednesday April 27 1988

# TO STOP YOUR BODY AGEING PREMATURELY, DR DIETZ PRESCRIBES ZINC.



DR DIETZ had cracked it.

AUDI'S TEN year warranty stood as testament to zinc's remarkable anti-corrosion properties.

AS WE sped home, the fact that we still didn't understand the intricacies of cathodic protection, didn't seem to matter.

EARLIER THAT morning, after a gruelling four hours on a snow bound autobahn, Dr Dietz greeted us at Audi's quality assurance centre.

'THE DRIVING conditions are very wearing,' observed our host gazing out of the window.

FOR A moment we thought Dr Dietz was showing a little compassion.

'CARS IN Germany,' continued the Doctor, have to withstand an extremely corrosive environment. You see, in some areas, snow lies on the ground for six months of the year.

'TO AGGRAVATE the situation, every year the authorities put half a million tonnes of salt and grit on our roads.

And the corrosive agents SO, and NO, are present in high levels in our rain and air.'

SUDDENLY LIVING in Britain didn't seem so bad.

'CONSEQUENTLY, AT Audi, we now employ the classic corrosion protection system: zinc galvanisation.'

'BUT DON'T other manufacturers already use zinc?' we questioned.

'INDEED,' REPLIED Dr Dietz smiling, 'most cars have a limited number of galvanised parts: hinges, sills, brackets and some body parts. Only Audi, along with Porsche, have their body shells completely galvanised inside and out.

'CONSEQUENTLY, WHILE most manufacturers' corrosion warranties are limited to six years, Audi's now extends to ten. Zinc is also likely to increase an Audi's resale value.

ARE YOU familiar with galvanisation and the barrier effect and cathodic protection afforded by zinc?' enquired Dr Dietz.

DR DIETZ took his cue from our blank faces. Our metallurgy was, to say the least, a little rusty.

ALLOW ME to explain. The protective layer of zinc works in two ways. Firstly, the zinc provides a barrier that protects the steel from contact with corrosive media. This purely physical corrosion-resisting property of zinc coatings on steel is referred to as the barrier effect. Zinc, of course, corrodes up to ten times more slowly than steel.

'SECONDLY, SHOULD the zinc be damaged, exposing the steel, the zinc becomes the sacrificial anode in the electrochemical corrosive reaction.

'IN PRACTICAL terms this suppression of the anodic reaction of the steel means that the Fe side of the electrode pair is no longer a corroding mixed electrode, but a corrosion-free cathode. The corresponding phenomenon is therefore referred to as cathodic protection.' DR DIETZ might just as well have been speaking German.

THE DOCTOR endeavoured to explain in more simple terms. 'Should the steel be exposed, the zinc bleeds over the steel. No rust will form until the zinc has been eroded, a process which can take several years.'

'WITHOUT ZINC, how long would rust take to form?' we queried.

'SEVERAL DAYS, maybe less,' smiled Dr Dietz.

'HOWEVER, WHILE zinc is undoubtedly an effective weapon against rust, it can only be one element in a complete range of anti-corrosion measures,' continued Dr Dietz.

DR DIETZ, we sensed, was on the verge of refreshing our memories about the rest of Audi's corrosion protection. Apparently, the 27-operation painting process, the wax-Hooded cavities and the chipresistant elastic undercoat, had all been retained despite the introduction of zinc galvanisation.

THANKFULLY, WE persuaded him they could wait until another time.

HOWEVER, ONE question did remain. Why were Audi the only manufacturer, but for the notable exception of Porsche, to adopt fully galvanised zinc bodies?'

DR DIETZ smiled. 'Vorsprung durch Technik', came the reply.

# AUDI. VORSPRUNG DURCH TECHNIK.

THE AUDI RANGE STARTS FROM AROUND \$10,500. BROCHURES AND PRICE LISTS FROM AUDI INFORMATION SERVICE, YEOMANS DRIVE, BLAKELANDS, MILTON KEYNES MK14 5AN. TELEPHONE 0908 679121. EXPORT AND FLEET SALES, 95 BAKER STREET, LONDON WIM IFB. TELEPHONE 01-486 8411.

# New car registrations in Western Europe rise 9%

BY KEVIN DONE, MOTOR INDUSTRY CORRESPONDENT

NEW CAR registrations in Western Europe jumped by 9.1 per cent in the first quarter of 1988 compared with the same period the previous year. Sales totalled 3.36m units against 3.06m in January-March 1987, mainly because of strong demand in the big volume markets of the UK, France, Italy and Spain.

The boom is outlasting most industry forecasts, but in March the rate of growth in new car sales fell below that in the previous two months, and some leading car makers expect European new car sales in the whole of 1988 to fall just short of the record 12.4m of last year.

In March, new car registrations rose by some 5.6 per cent on the same month a year earlier to 1.29m units, according to indus-

European sales league for the past three years, but in the first quarter it has been clearly outclassed by Fiat of Italy, which claimed an estimated market

BY QUENTIN PEEL IN MOSCOW

WEST E	JROPEAN NEW - January/M		
	Yolume	% Change	Shere(%)
Total market	3,360,000	+9.1	

	Yelume	% Change	Shere(%)
Total market	3,360,000	+9.1	
flat (Including	\$35,000	+12.2	15.9
Lancia & Alfa Romeo) Folkswagen (Including	460,000	+4.5	13.7
Audi & Seat) Peugest (including	427.000	+15.9	12.7
Citroen)			
Ford	383,000	+7.3	11.4
leneral Motora Opel & Vauxhali)	363,000	+6.7	10.8
Rengult	362,000	÷7.3	10.5
West Germany	647,000	+2.9	19.3
taly	616,000	+13.4	18.3
John Kingdom	585,000	+10.9	17.4
France	538,000	+8.6	16.0
Speln	261,900	+22.6	7.7

claimed an estimated market share of some 15.9 per cent.

Fiat's share has fallen from the 16.3 per cent held in January/February, but it still has a commanding lead over the Volkswagen group, with a 13.7 per cent share in the first quarter.

Both VW and Fiat are being pressed hard by Paragraph of the market, has been to outpace the market, increasing their volumes by 12.4 per cent in the first quarter to an estimated \$77.00 units first quarter to an estimated \$77.00 units of the first quarter to an estimated \$77.00 units of the first quarter to an estimated \$77.00 units of the first quarter to an estimated \$77.00 units of the first quarter to an estimated \$77.00 units of the first quarter to an estimated \$77.00 units of the first quarter to an estimated \$77.00 units of the first quarter to an estimated \$77.00 units of the first quarter to an estimated \$77.00 units of the first quarter to an estimated \$77.00 units of the first quarter to an estimated \$77.00 units of the first quarter to an estimated \$77.00 units of the first quarter to an estimated \$77.00 units of the first quarter to an estimated \$77.00 units of the first quarter to an estimated to have jumped by \$77.00 units of the first quarter to an estimated \$77.00 units of the first quarter to an estimated to have jumped by \$77.00 units of the first quarter to an estimated to have jumped by \$77.00 units of the first quarter to an estimated to have jumped by \$77.00 units of the first quarter to an estimated to have jumped by \$77.00 units of the first quarter to an estimated to have jumped by \$77.00 units of the first quarter to an estimated to have jumped by \$77.00 units of the first quarter to an estimated to have jumped by \$77.00 units of the first quarter to an estimated to have jumped by \$77.00 units of the first quarter to an estimated to have jumped by \$77.00 units of the first quarter to an estimated to have jumped by \$77.00 units of the first quarter to an estimated to have jumped by \$77.00 units of the first quarter to an estimated to have jumped

Moscow relaxes rules for business visas

In West Germany, the biggest single car market in Western Europe, sales in the first quarter rose by 2.9 per cent - and by 1.2 per cent in March alone - in 647,000 units.

The Peugeot group, which benefited from several successful new product launches, enjoyed to boom in most of Western the biggest increase in sales of Europe, some of the smaller market share to 12.7 sales in the first open cent in the UK to 585,000. While sales increased by 10.9 per cent in the UK to 585,000. While new car sales continue new product launches, enjoyed to boom in most of Western the biggest increase in sales of Europe, some of the smaller market share to 12.7 sales in the first quarter to 427,000 from 368,000 a sales in the first quarter in Norway dropped by 26.6 per cent, in Denmark by 12.9 per cent and in leasted its market share to 12.7 sales in the first quarter to 538,000, while sales increased by While new car sales continue new product launches, enjoyed to boom in most of Western the biggest increase in sales of Europe, some of the smaller market share to 12.7 sales in the first quarter to 427,000 from 368,000 a sales in the first quarter in Norway dropped by 26.6 per cent, in Denmark by 12.9 per cent and in least three years, but in the first quarter to 427,000 from 368,000 a sales in the first quarter to 427,000 from 368,000 a sales in the first quarter to 538,000, while sales increased by While new car sales continue new product launches, enjoyed to boom in most of Western the biggest increase in sales of Europe, some of the smaller markets have gune into rapid decline in the first quarter to 427,000 from 368,000 a sales in the first quarter in Norway dropped by 26.6 per cent, in Denmark by 12.9 per cent and in the first quarter it has been clearly out-classed by Flat of Italy, which can be a sales increased by first first quarter to 427,000 from 368,000 a sales in the first quarter in Norway dropped by 26.6 per cent, in Denmark by 12.9 per cent and in the first quarter in Norway dropped by 26.6 per cent in the first q

in the first quarter.

Both VW and Fiat are being with 22.6 per cent in the first exports from the UK in the pressed hard by Feugeot of quarter to 251,000 units, although autumn. Nisean's sales volumes France, which last year ousted here too the rate of growth in West Europe were 19.7 per Ford from third place and which slowed in March to an increase of cent higher, at 93,000,in the first in the first quarter this year 10.8 per cent.

### R-R hands over plant

THE Soviet Union yesterday announced a relaxation in the visa requirements for foreign businessmen, in an apparent further move to attract foreign whether they would apply to investment in joint ventures.

The Move investigation among resident businessmen with their home country.

Mr Oleg Avramenko, first deputy to the consular directorate attention of the consular directorate whether they would apply to investigate assumption. visa requirements for foreign businessmen, in an apparent further move to attract foreign investment in joint ventures.

From May 1, visas will be available within 48 hours for visiting businessmen with an invitation from a Soviet organisation, and multiple entry visas will also be available, an official said.

However, the new deal still left how roles would be applied and the consular directorate uty head of the consular directorate visit to a power company in Nigeria.

The immediate assumption allow business and scientific contacts.

Another concession would relate only to business and scientific contacts.

Another concession would in the past 30 years to a power company in Nigeria.

The 238m plant is for the contacts.

Another concession would relate only to business and scientific contacts.

Another concession would in the past 30 years to a power company in Nigeria.

The 238m plant is for the contacts.

Another concession would would investment on first-time visits, who have therefore not had the chance to get an invitation from a local contact, to visit the country on a tourist visa.

# **EC** backs plans for trade talks with Tokyo

By David Buchan in Luxembourd

EUROPRAN Community member states have endorsed the Brussels Commission's plans to start trade talks this summer with Japan on a new range of products including pharmaceuticals, dairy goods

Foreign Ministers meeting in Luxembourg also urged contin-uation of discussions with Tokyo on "the unsolved problems of market access for motor vehicles and medical devices", and the monitoring of commitments made by Japan to liberalise cosmetics

imports.

The ministers welcomed the recent reduction in Japan's trade surplus with the EC, stamming in part from Tokyo's new emphasis on domestic, rather than export-led, economic export-

nomic growth.

But they said EC states But they said EC states expected Japan to follow fully recent Gatt rulings against high Japanese taxes on imported wines and spirits such as whisky and against Japan's two-year-old price-fixing accord with the US on semiconductors.

semiconductors.

Noting the recent US-Japanese agreement on the participation of foreign companies in Japanese public works projects, the EC ministers warned that they expected European suppliers to be given "fair, non-discriminatory access to procurement" for Kanadi International Airport and other infrastructure projects. infrastructure projects.

ROLLS-ROYCE, the UK turbine manufacturer, yesterday handed over the largest electri-cal power installation it has

# Sales of foreign cigarettes double in Japan

FOREIGN tobacco companies have finally cracked the Japanese cigarette market, cornering nearly 10 per cent of the domestic market and more than doubling sales in the past

achieved largely because of the lifting of import tariffs on cigarettes by Japan last year. Sales of foreign cigarettes last year jumped by a factor of 2.5 to 30.3m. In the fiscal year ended March, the value of foreign cigarettes more than doubled to nearly \$30m (\$6.56m) according nearly \$3hn (£1.6hn), according to the Tobacco Institute of

The institute expects foreign cigarettes to gain further in the current year, to perhaps 12 or 13 per cent of the market.

Liberalisation of the tobacco market grew out of one of the hig trade rows between the US and Japan in the early 1980s. The removal of tariffs and the abolition of the Japanese tobacco monopoly, which con-trolled the distribution of cigarettes in Japan, came in stages between 1986 and 1987.

The removal of the import tariff last year immediately translated into a Y20 to Y30 per pack price cut on foreign ciga-rettes, making them competi-tive with domestic brands. The best-selling foreign brand in Japan last year was Lark Mild, made by Philip Mor-

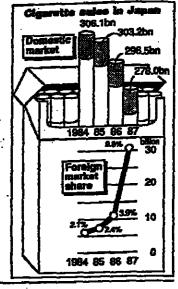
ris of the US. It ranket as the ninth best selling cigarette in the country. Philip Morris retains a strong lead over the other foreign manufacturers. producing seven of the top 10 foreign brands.

Analysts yesterday also pointed out that the foreign companies have been benefiting from improved marketing operations and better products, aimed at the Japanese market.

About 60 Japanese microchip meer companies will set up
a group next mouth to help promote imports of foreign-made semiconductors, the Elec-tronics Industries Association of Japan said, Reuter reports

from Tokyo.

The US is dissatisfied with what it sees as Japan's failure to increase American microchip makers' acress to the Jap-anese market following a 1986 pact on semiconductor trade.



Robert Thomson on rifts between government and foreign companies

# China's quest for suitable partners

A BROADCASTING AND hotel cated."

Complex that was to be the pride of Peking is yet to get off the ground because of two successive

CCTV in 1985 on the same project

CCTV was amonged that it took of the contract in property in 1985. communication breakdowns between the state-run (hins Central Television (CCTV) and foreign partners badly bruised by last year's stock market plunge. The stricken \$50m project highlights China's exposure to the complexities of foreign corporate life, as well as the still rigid contract approval system and the diftract approval system and the dif-ficulties some Chinese institu-tions have in telling the difference between a foreign company and its government.

Just over a year ago, CCTV signed a joint venture contract with the Parry Corporation, headed by Mr Kevin Parry, which a few days later unsuccessfully defended Australia's ownership

defined Australia's ownership of the America's Cup yachting trophy. In February this year, CCTV signed an agreement to replace the troubled Parry Cusporation with another Australian company, the Parth-based Row-ells Ltd.

ells Ltd.

Now Rothwells, which was assisted by the government of Western Australia after the stock market plunge, has withdrawn following a dispute with CCTV over changes to the design of the project, which is supposed to be a centrepiece of the Asian games here in 1990.

"We have been unlucky with our choice of companies," said Mr Wang Nansheng, the general manager of CCTV, one of China's most powerful institutions. "The world of business is very compli-

Corporation negotiated with Jamuny 1987.
Corporation negotiation in partners and even more amoyed when, a few weeks later, the Jamuny 2004 the Jamuny 1987.
The Tuner, the US broadcasting and only two days of negotiation, the Jamuny 2004 the Jamuny 1987.
The Tuner, the US broadcasting 2004 the Jamuny 1987 th



and changed the business scope,"
and "it was not a direct transfer
of title" from Parry to Rothwells.
Mr Wang said feasibility
studies had already shown that
the new accommodation would
be profitable, and thus, to his
mind, Rothwells should have
simply accepted the Parry contract as was.

"We have the design for the

"We have the design for the building. We have all the approval and we know that we will make a profit. All we need is a good partner and the money, and we can directly transfer the title of the contract. If you know any good, strong companies, we will be very glad to co-operate with them," Mr Wang said.

simply make sure that you

reconfirm your personal car and

chauffeur before check-in and they

will be awaiting you together with

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Once again, throughout 1988, guests, staying in our suites will enjoy free use of a car and chauffeur.

After all, we would do no less for our other celebrity guests.

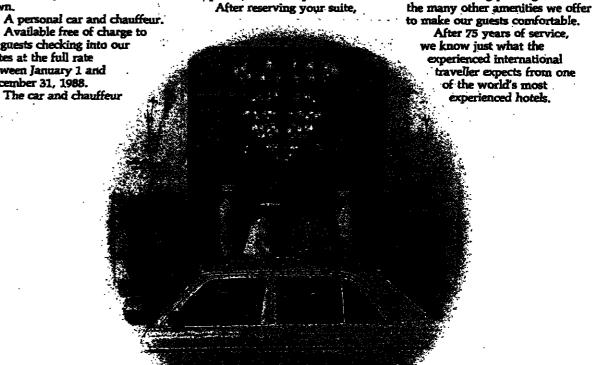
unlimited use within Metro Manila

through out your stay, from airport arrival to departure.

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Most luxury hotels provide first class accommodations. The Manila Hotel also provides a first class way to travel around

A personal car and chauffeur. Available free of charge to all guests checking into our suites at the full rate between January 1 and December 31, 1988.



There are perhaps a dozen incredible places you must see in the Orient, One of them is a hotel



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# PHILIPS

# Philips Electronics in the UK

Philips Electronics is one of the largest industrial enterprises in the UK and consists of many divisions and companies working together as one Group.

Our range of activities in advanced technology products and systems is vast — from consumer durables to business systems and telecommunications: medical systems to professional lighting.

And our investment in Britain is enormous — we operate from over 300 sites throughout the UK with some 20,000 employees engaged in research, development, manufacturing, marketing, sales and service.





Philips World Leaders in Electronics

# If your five-year-old son were asked to draw a picture of his family, would you be in it?

'I WAS really choked. He gave it to me at breakfast one Saturday. Really proud of it, he was. There was his mother, his

big sister and him. I just wasn't in the picture.'

Most people would agree that time is the one thing we could all do with more of.

What most people don't realise is that the right communications package is one of the shorter routes to saving time at work.

Unfortunately, given the complexity of business communications today, getting one's hands on the right package isn't exactly easy, is it?

Here, on the business side of British Telecom, we have literally thousands of examples of the latest in time-saving systems, equipment and services.

Everything, in fact, from simple radio pagers to fax machines to the technology that allows complex data to be sent across the country in seconds.

Our problem was how to get the items relevant to you into your hands without wasting your time with the rest.

We were serious enough to call in a leading management consultant and, together, we think we've found a solution.

It's called Workplan and this is how it works:

You phone and ask for Workplan. In a day or so, you'll receive the first stage, which is a business-orientated questionnaire designed to help you evaluate

where improved communications might help.

(Even if you decide not to return this, you'll benefit from what you'll learn about yourself as you respond to its questions.)

If you do return a completed questionnaire, we'll use your answers and a bank of computers to analyse your particular business needs.

Then we'll make up and send off your personally compiled Workplan handbook.

This is a ring-binder containing information and advice on the communications options we believe would be most likely to save you time.

If at that moment, or indeed anytime in the future, you'd like to discuss specific items with one of our people, you only have to call and say so.

'Ah,' we hear, 'but I'm too busy to get into all this.'

All we can do by way of persuasion is reiterate the words in the introduction to Workplan: 'If you haven't got time to fill this in, you need to fill this in.'

In business, time is money. In your personal life, it can be priceless.

Call us free on 0800 800 840 and ask for your copy of Workplan. Our lines are open 24 hours a day, seven days a week. Call us Free on 0800 800 840

British
TELECOM

It's you we answer to.

o mi rou ; his



The Annual General Meeting of Shareholders held on 20 April 1988 declared a dividend of NLG 4,60 per ordinary share of NLG 20 in respect of the 1987 financial year, which, taking into account the interim dividend of NLG 2.00 already made payable as of 21 August 1987, represents a final dividend of NLG 2.60 per ordinary

At shareholders' option, the final dividend will be paid either entirely in cash or NLG 0.95 in cash and NLG 0.50 in new ordinary shares charged to the share premium reserve or, if desired, to general reserves, these new Shares being entitled to participate in the dividend for 1988 and subsequent years. The stock dividend will not attract income tax or withholding tax in the Netherlands. The final dividend will be made payable as from 29 April

in the Netherlands:

All branches of Amsterdam-Rotterdam Bank N.V.

Amsterdam-Rotterdam Bank N.V., London.

In West Germany:

Deutsche Bank AG, Commerzbank AG, Dresdner Bank AG, Westdeutsche Landesbank Girozentrale at Frankfurt am Main, Düsseldori and Hamburg, Insofar as said institutions have branches in these cities, and Amro Handelsbank AG, Cologne.

Société Générale.

In Switzerland:

Schweizerische Kredietanstalt, Schweirischer Bankverein, Schwelzerische Bankgesellschaft, Amro Bank und Finanz and MM. Pictet & Cie.

In connection herewith, upon presentation of dividend coupon no. 74 forming part of the ordinary share certificates of NLG 20 nominal value, an amount of NLG 0.95 - less the 25% withholding tax due on dividends in the Netherlans - will be paid in cash, i.e. per

certificate of 50 ordinary shares: NLG 35.635 certificate of 10 ordinary shares: NLG 7.125 certificate of 1 ordinary share : NLG 0.7125

Where shareholders got for the stock dividend charged to the share premium reserve, as referred to above. then upon presentation of dividend coupon no. 75, one ordinary share with dividend coupons nos. 75 et segq. and talon attached, which is entitled to participate in the dividend for 1988 and subsequent years, will be issued for every 40 ordinary shares held.

Any unclaimed shares in respect of dividend coupons no. 75 which are still outstanding after 22 July 1988 will be sold and the proceeds will be held at the disposal of the holders of those dividend coupons which have not been presented at that date on a pro rata basis.

In connection with the exchange of dividend coupons no. 75 for new shares, corporate members of the Amsterdam Stock Exchange Association will be paid the official rate of commission so as to enable the said exchange to be effected free of charge to the holders.

Shareholders requesting their bank to mail their securities to them or to deliver them into their hands for the purpose of this exchange will be charged the usual fee for delivery of securities.

in connection with the aforementioned stock dividend, the necessary shares will be irrevocably deposited at the company's office until 23 July 1988 unless previously claimed by shareholders.

Where shareholders opt for payment in cash, then upon presentation of dividend coupon no. 75 forming part of the ordinary share certificates of NLG 20 nominal value, an amount of NLG 1.65 - less the 25% withholding tax due on dividends in the cash, i.e. per

certificate of 50 ordinary shares: NLG 61.875 certificate of 10 ordinary shares: NLG 12.375 certificate of 1 ordinary share: Ni.G 1.2375

Dividend coupons presented via a bank or stockbroker must be stamped on the reverse with the firm's stamp.

Holders of CF certificates, will be entitled to their cash dividend and rights to payment in ordinary shares through the intermediary of the institution which had custody of the dividend sheets forming part of their share certificates as at the close of business on 20 April

A copy of the annual report, incorporating the accounts, has been deposited with the Chambers of Commerce at Amsterdam and Rotterdam.

Amsterdam, 20 April 1988

Amsterdam-Rotterdam Bank N.V.



### GRANVIL SPONSORED SECURITIES 44 75 50 201 185 Ass. Brit, lod. Ordinary ... +1 100 36 10.2 4.5 6.5 148 137 Bray Technologies ...... 52 21.5 255 130

335 41

278 203 W 5Years .. 5.8 7.9 Securities designated (SE) and (USA) are dealt in subject to the rules and regulations of The Stock

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# **UK NEWS**

# Syndicate faces £30m cash call after US losses

BY NICK BUNKER

ask for between £20m and £30m

1981-82.

At that time, Mr Outhwaite the money, paid to him in connection with the takeover battle for Distillers.

At that time, Mr Outhwaite the money, paid to him in connection with the takeover battle for Distillers.

It was a result, a big share of the immediate judgment on the claim to recover the money, paid to him in connection with the takeover battle for Distillers.

Mr Ward appealed against a High Court judge's decision last July that Guinness should have immediate judgment on the claim to recover the money, paid to him in connection with the takeover battle for Distillers.

Mr Ward appealed against a High Court judge's decision last July that Guinness should have immediate judgment on the claim to recover the money, paid to him in connection with the takeover battle for Distillers.

ster the syndicate's reserves. They believe he will use the money from this year's payment to settle disputes with 12 other

"Names") who were on his syndi-of the syndicate's 1982 losses, by cate, number 317/661. May 16.

Lloyd's market's huge liability Observers at Lloyd's say he has claims arising from asbestosis indicated that there will probably and hazardous waste pollution be yet another cash call next damage in the US have fallen on the backs of investors in Mr Outhwaite's syndicate.

Representatives of 102 other

# APPEAL HEARING CENTRES ON DISCLOSURE OF £5.2M RECOMPENSE Ward seeks full trial on Guinness payment

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

A 25.2m payment made by Guinness to Mr Tom Ward, a US attor-The appeal judges rejected a plea for an order under the 1981 Contempt of Court Act ney and former Guinness direc-tor, was described by a judge in the Court of Appeal in London postponing publication of any reports of Mr Ward's appeal — other than its outcome — until yesterday as, "by English stanafter the trial of seven men

Sir Frederick Lawton's coment came during a hearing at MR RICHARD OUTHWATTE, one It represents the latest twist in which Mr Ward contended that the Lloyd's insurance market's the long-running Outhwaite there should be a full trial to top marine underwriters, is to affair at Lloyd's, which began in decide whether Guinness should

without the case going to full

trial. Sir Nicolas Browne-Wilkinson,

disclosure.

Sir Nicolas Browne-Wilkinson, the senior the Vice-Chancellor, the senior ate judgment against Mr Ward acted in good faith, and to seek to judge of the Chancery Division, said in the High Court that the payment, which Mr Ward alleged had been made for his "valuable services" to Guimess during the battle with Argyll for men and chief executive, for the distillers hid. Mr Saunders the divisor of the payment, which Mr Curry acknowledged was "vary large." He said that Mr Ward had done crucial work for Guimess during the battle with Argyll for men and chief executive, for the to settle disputes with 12 other Lloyd's underwriters which have claims outstanding against his syndicate.

News that Mr Outhwaite was making the cash call came in a letter sent by his company, RHM Outhwaite (Underwriting Agents at Lloyd's, "aluable services" to Guinness Saunders, then Guinness chairman and chief executive, for the syndicate, were told by Mr Outhwaite at a meeting last Friday final he planned to give a firm figure for the cash call.

He also intends to publish a full report on the current status lies Act.

Sir Nicolas said that the way a major dismute about the facts surman and chief executive, for the beauties it had not been lawfully made because it had not been disclosed.

Yesterday Mr Peter Curry QC, for Mr Ward, told the three was a full report on the current status lies Act.

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Yesterday Mr Peter Curry QC, for Mr Ward, told the three was a major dismute about the facts surman and chief executive, for he cash call and not been disclosed.

of the 40 charges Mr Saunders faced related to the £5.2m and that reports of the appeal

charged with criminal offences in the Guinness affair, which is expected to take place sarry The pies was made by Mr Bruce Laughland QC, for Mr Ernest Saunders, one of the seven accused, who is also a party to Guinness's civil

only consistent with an implied be resolved only at a full trial. admission that there had been no

action to recover the 25.2m

Guinness had sought immedi-

nies Act.

Sir Nicolas said that the way major dispute about the facts surfur Ward's case had been put was rounding the payment that could

payment to Mr Ward, though not involved in the appeal. Mr Laughland said that two

might give rise to serious prej-There had, Mr Laughland said, been extensive publicity about the Guinness affair, not all of it exhibiting the restraint which would have been commonplace half a gen-eration ago." Lord Justice Fox said it would not be appropriste to make the order.

At such a trial, Mr Ward and Mr Saunders would have an opportunity to say that they had acted in good faith, and to seek to

had regarded his work as invalu-able, had persuaded him to delay his return to the US, and agreed to recompense him with £5.2m. Section 315 of the Companies not been disclosed, as had been Act stated that a director must found by Sir Nicolas Browne-Wildisclose his interest in any contract made by the company. But, The hearing continues today.

Mr Carry said, it provided only that a fine could be imposed for non-disclosure; it did not invali-

date the contract. ste the contract. Guinness' articles, Mr Curry said, provided that, if a director was acting in a professional capacity, he could be remunerated "as if he were not a director," and also for a director to be paid for "special services." Mr Ward had been acting as a business consultant.

The payment to him had not had to be disclosed to the full Guinness board. The articles also provided for a committee of directors to act as the board. During the bid battle Mr Saunders, Mr Ward and Mr Olivier Roux, then Guinness finance director, had constituted such a committee. They had authorised the payment, so disclosure by Mr Ward would have been "an absurdity."

"The committee are giving him something, therefore they know what his interest is. So to suggest that there has to be disclosure is

Mr Curry denied that Mr Ward's defence contained any admission that the payment had not been disclosed, as had been

# Strains on the system as A - Day looms

The Act demands that firms to their state of preparedness. fast ball, he said. "A number of should be able to handle their state of preparedness. fast ball," he said. "A number of companies will have a great deal of difficulty with this provision new and more precise ways and provide better and more detailed in that has been asked of them, barriage firms which have done all of difficulty with this provision because their systems are not ring a few loose ends.

The was a instributed the provision of the provision because their systems are not geared to handle it."

Changing computer systems to pass muster in that they are meet these new requirements has aware of the shortcomings in proved a major headache for their systems and are well ahead every financial services company over the past few months. Indeed,

Last, there is a group whose trading after A - Day because systems manager remarked: "We their systems could not be modinever talk to them and they field in time to provide the informever talk to us." nation demanded by the Act.

ties and investments Board (SIB) responsible for creating main-has allowed more time for the taining the database of author-

much in evidence this Friday, 'A

- Day,' as systems managers in
Britain's financial services companies struggle to ensure their technology will enable their companies to comply with the requirements of the Financial
Services Act.

The Act demands that firms

The Act demands that firms that firms

The Act demands that firms that f

information about their trading Then there is a group of large performance.

Then there is a group of large and middle-sized firms which will

there were fears earlier this year state of preparedness is largely that firms might be barred from unknown because, as one

Mr Brian Smith, director of the These have now largely evaporated, chiefly because the Securiinformation services division,

THE ELECTRONIC equivalent of more complex parts of the legislastring and sealing wax will be tion to be interpreted in systems said: "Some of these firms have access to the informuch in evidence this Friday, 'A terms."

THE ELECTRONIC equivalent of more complex parts of the legislastring and individuals, said: "Some of these firms have access to the information it contains through a community of the companies and individuals, said: "Some of these firms have access to the information it contains through a community of the companies and individuals, said: "Some of these firms have access to the information it contains through a companies and individuals, said: "Some of these firms have access to the information it contains through a companies and individuals, said: "Some of these firms have access to the information it contains through a companies and individuals, and individuals, and the contains through a companies and individuals.

companies will have a great deal at home will pay 30p for each

Just who the defaulters will be is not expected to emerge until the SIB teams begin their tours of inspection and the first batch of quarterly reports is due.

The SIB itself is working virtnally round the clock to ensure that its registration system will be ready for Friday.

relational database, a computer file whose contents can be exam-ined in a number of different ways, called CRAMS (Central ter and Monitoring System).

mation it contains through a con-ventional telecommunications link; the public can inspect the database through Prestel, the British Telecom viewdata service. A Prestel terminal is freely available in the SIR's City of London offices; firms and individuals making enquiries at the office or

enquiry.

The system itself is compara tively simple and uses tried and tested technology. The complex-ity lay in accommodating the 17 different bodies which have to report to the SIB under the terms of the Act, the number of differ-ent activities the database would have to support and the number of different kinds of enquiry that would have to be catered for.

be ready for Friday.

The information held on the
The system turns around a database will be accessible to those interested as computer tape

# Private school rolls rise for fifth year

BRITAIN's private schools continue to attract more pupils even though the country's total achool-age population is falling, says a survey published yesterday by the Independent Schools schooling was growing fast, particularly for the under fives. This was probably due to your to the

successive year to nearly 445,000 - 1.3 per cent up on early 1987.

If the survey findings are representative of all 2,250 UK independent schools, the private sector now caters for about 570,000 children or just over 7 per cent of

undary sector, those older than £1,450 for boarding.

wholly made up of day pupils. The number of full-time boarders fell by 22 per cent, although the drop was almost compensated for by a 2 per cent rise in the number of weekday boarders.

the appropriately aged popula-tion. the past year was about 11 per tion. cent. For older children, full-term The main rise last year was in boarding fees ranged from about the low age ranges – from two to \$1,400 to £1,900 a term and day eight years old – where numbers fees from £650 to £1,100 depend-(24,000 a tape, or 28,000 a year for monthly updates), over Prestel, per cent to about 94,000. The and facilities. Typical fees for as an on-line service and as a overall school-aged population is source of replies to telephone or falling by 4 per cent in the second younger pupils were about 2850 a source of replies to telephone or falling by 4 per cent in the second younger pupils were about 2850 a term for day attendance and

# **Company Notices**

NOTICE OF ELEVENTH PARTIAL REDEMPTION

# THE KINGDOM OF DENMARK

lasue of US\$ 250,000,000 12 1/4 % Notes due February 27, 1992 with 250,000 Warrants to subscribe 12 1/2 % Notes due February 27, 1992

Pursuant to paragraph "Redemption and Purchase" of the Terms and Conditions of the Notes; notice is hereby given that as a result of exercise of Warrants, Notes for an additional aggregate principal amount of US\$ 5,000,000 will be redeemable on May 27, 1988 at 101 per cent. of their principal amount, together with accrued interest. (i.e. US\$ 159.38 per denomination of US\$ 5,000) from February 27, 1988 to the date

The Notes bearing the following serial numbers have been drawn by lot in the presence of a Notary Public and may be presented to Kredietbank S.A. Luxembourgeoise, 43, Boulevard Royal, Luxembourg or to the other Paying Agents named on the Notes: 00006 04474 05703 00511 15457 10523 17153 20064 22525 30312 30547 31922 32106 34405 36806 41090 43030 44629 47905 00106 04476 05719 00629 15456 16526 17154 20066 22530 30313 30554 31989 32111 34504 35700 41051 43032 44664 47906

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Notes surrendered for redemption must have coupon due February 27, 1989 and subsequent attached. Interest will cause to accrue on the above drawn Notes as from May 27, 1988. Amount remaining outstanding: US\$ 16,000,000

Luxembourg, April 27, 1988



KREDIETBANK S.A. LUXEMBOURGEOISE

# DOCKLANDS PROPERTIES

please contact

Carol Haney on 01-439 0030

The Residential Property Pages will focus on this subject on 28th May & 25th June. For further information

Clubs

Personal

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FLEMING JAPAN FUND. SICAY
Laxembourg, 43, boulevard Royal
R.C. Laxembourg B 8,392

Notice of Meeting Mesers. Shareholders are hereby convened to attend the Annual ral Meeting which will be held on May 11th, 1968 st 3.00 p.m. at the

Agoinson of the report of the Board of Directors and of the Independent and Statutory Auditors.

Approval of the Issuerial statements for the year ended December 31st, 1967.

Discharge of the Directors and of the Independent and Statutory Auditors in respect of their duties excited out for the year ended December 31st, 1967.

Election of Directors and Independent and Statutory Auditors for a new markery term.

Election of Directors and Independent and Statutory Auditors for a new statutory term.

Directors' remunoration,
Miscellaneous business as may properly come before the meeting,
in order to attend the meeting the owners of bearer shares should osk their share certificates five clear days before the meeting at the stered office of the company or at a bank.

A shareholder entitled to attend and vote at the meeting may olnt a proxy to attend and to tote on his behalf and such proxy need be a shareholder himself of the company.

By order of the Board of Directors General Manager

Republic of Portugal FF700,000,000 Floating Rate Notes due 1995 (issued on July 24, 1987) and FF700,000,000 Floating Rate Notes due 1995 (second tranche issued on April 26, 1988)

In accordance with the terms and conditions of the Notes, notice is hereby given that for the interest period April 26, 1988 to July 26, 1988 The Notes will carry an interest rate of 8.575% p.a.

The interest payable on the relevant interest payment date, July 28, 1988 will be FF218.76 per Note of FF10,000 nominal and FF2,187.57 per Note of FF100,000 nominal.



KREDIETBANK

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2. APPARE DE LA CASE DES EMILITARES, DES GONÈME, CASE MOSTANE SES, DES GONÈME & TEL 1007/36 DE AS DE LES 25 CES, DESEN COLONIA SE ES TRECER ANNAMA

The study of 1,342 fee-charging was probably due in part to the schools in January shows that shortages of state schools.

The rise in enrolement was successive year to nearly 445,000

The average fee increase over

NEWS INTERNATIONAL PLC Convertible into

Floating Rate Notes due 1990 For the period from April 28, 1986 to July 28, 1986 the Notes will carry at Interest Paise of 75 % per amount with an interest Amount of USS 191,155 per USS 10.000 Banque Peribus (Luni Agent Dank

# **Legal Notices**

IN THE MATTER OF ANS THE PROCLEMICY ACT 1988

TAKE NOTICE that I, Henry Edward Hayes, Licensed impowercy Practitioner of Poppleton & Applety, 141 Great Charles Street, Birmingham, 83 3LG, was appointed Liquidator in the above suffer by a Mosting of the Cradiosa of Se Company hald on 13th April 1988.

This Notice appears in accordance with Rule 4.108(1) of the incohercy Rules 1998.

H.E. HAYES

**Art Galleries** 

**NORTHAMPTONSHIRE** 

The Financial Times proposes to publish this SULVEY OR:

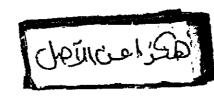
21st June 1988

For a full editorial synopsis and advertisement details, please contact:

> Anthony G Hayes OE 021-454-0922

or write to him at:

Financial Times George House George Road Edgbaston Birmingham B15 1PG



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# Pound dampens industry's upbeat view of economy

THE Confederation of British industry yesterday delivered an upbeat assessment of the perfor-mance of Britain's manufacturing industry, but warned that sterling's appreciation would

reaten export prospects. The CBI's latest quarterly Industrial Trends Survey indi-cates that manufacturing output is still rising strongly, with com-panies confident of further gains coming months. The pound's rise has yet to have a significant impact on overseas sales, while industry is still benefitting from buoyant domestic demand in the

During the past four months output and orders appear to have risen faster than at any time since the mid-1970s, while the general mood of confidence is reflected in signs that investment spending will increase strongly

Exporters' optimism, however, has been dented by sterling's appreciation and the CBI said the of any range acceptable to indus-try. The employers' organisation believes that, for the time being. many companies are accepting a significant evalon of profit margins on overseas sales, but that that process cannot go on indefi-

nitely.

The survey appears to cast doubt on the accuracy of official figures showing a sharp fall in manufacturing output during February, although the CBI said it expected the pace of growth to It also puts a further question

1982 84 86

10%

1982

84

working below their capacity

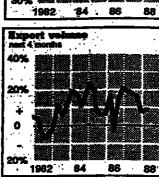
than at any time for 30 years. Overall, the survey is likely to

add to uncertainties over the tim-ing of an expected slowdown in

the growth rate of the economy this year. So far, the signs are

although the CBI said that more recent discussions with its mem-

ber companies did point to a more moderate growth rate in coming months.



mark over official trade statistics for January and Bebruary, which suggest a slump in exports dur-ing those months. The figures for March are due on Friday and will be watched closely by financial markets.

markets.

Less encouragingly, yester-day's survey suggests a pick-up in the pace of price increases and points to a tightening in capacity utilisation. The CBI sought to dismiss any suggestion that capacity constraints might signal that the economy was close to over. the economy was close to over-

# **Aviation** body to study air congestion THE Civil Aviation Authority

the UK air transport regulatory agency, has launched a study of ways to cope with the expected tinued growth of air travel

into the next century.

The study could leave the Government having to make difficult reappraisals of some existing aviation policies as a matter of national priority, Mr Christopher Tugendhat, chairman of the CAA, told the House of Common

transport communities yesterday.
The committee is studying air traffic management after recent public concern about near misses in the air. The CAA's evidence, a 102-page memorandum, stresse that aviation safety is improving even though traffic is increasing According to the CAA, last year there were 56 air-misses in com-mercial air transport against 61 in 1986. The CAA says, however, that it

The CAA says, nowever, that it will study ways of easing problems of limited airspace. Possibilities include easing some environmental restrictions, such as those on night jet flights, the use of bigger aircraft and making discriminatory. criminatory charges against some types of air traffic. It also suggests considering

year. So far, the signs are the pace of expansion has reserving larger areas of airspace exclusively for commercial air remained more buoyant than expected by the Treasury or by most independent economists, transport and restricting airports to specific types of traffic rather than allowing them all to becom big hubs serving all destinations The CAA should make recom

mendations to the Department of Transport by the end of summer. It recognises such radical solu-tions lie outside the CAA's statutory power and that the Govern ment will thus be obliged to act.
The CAA says that it will be spending £200m from now the air traffic control system. Aviation fears, Page 12

# Jaguar on wind-blown road to exclusivity

BY KEVIN DONE, MOTOR INDUSTRY CORRESPONDENT

JAGUAR, the UK luxury car maker, returns today to one of the most exclusive niches of the world car market with the launch of its XJ-S V12 Convertible, one of the world's fastest open-topped cars, and the first convertible the company has made since the E-Type ceased production in 1974. It is the second new car Jaguar has launched since its privatisa-

US -- the launch will be in June -- with more than 80 per cent tively.

destined for export markets.

In the launch will be in June -- sales tively. tion from the state-owned BL group in 1984 and follows the long-awaited arrival of the XJ6 Jaguar expects sales of the new ar significantly to exceed 5,000 saloon, the group's most impor-tant car, in October 1986. The XJ-S convertible, devel

oped from Jaguar's 13-year-old XJ-S grand tourer coupe, recreates a Jaguar tradition in open cars, which started with the SS100 in 1936 and was continued with the XK series of convertibles in the 1940s and 1950s and finally the E-type roadster.
As part of its ambitious recovery plans Jaguar, is also working

on the development of a new model range, a genuine sports car codenamed the XJ41 or F-type, but that is not scheduled for launch until 1992-93.

The XJ-S V12 Convertible with its 5.3 litre engine and a claimed top speed of 150 mph (241 km/h) acceleration is 0-60 mph in 7.9 seconds - is to be priced in the UK at £36,000, pushing Jaguar to a new price level in the luxury The car has been very much

Europe and the Far East, the group has little choice but to rely

of your investment. It's up to you.

to respond to fluctuations in world markets.

International Funds.

tailored to the tastes of US luxury car buyers, by far Jaguar's most important market, account-ing last year for 49.2 per cent of

Jaguar's total new registrations worldwide of 46,612 cars.

More than half this year's fore-cast sales of around 4,000 XJ-S Convertibles is planned for the

GM's Corvette and the cur-rently struggling Porsche 944 and 911 ranges accounted together for over 60 per cent of US sales. By comparison the most significant hixury sports car markets around the world after the US are West Germany and the UK, with 1987 sales of 12,000 and 7,000 respec-

In the world of luxury convertibles. Jaguar's main rivals for the new car are the Mercedes SL and units next year, helping to Porsche 911 Cabriolet as well as expand the market for the XJ-S GM's Cadillac Allante and Corrange to a record 12,000 cars, from less than 1,000 in 1980.

As Jaguar ambitiously many produced 19,500 SLs of increases its output from 48,020 which a last year to a planned 56,000 cars the US. which around 12,000 were sold in

The XJ-S convertible has been in 1988 and more than 60,000 next year, sales of the new convertible under development for around are expected to rise to more than three years and marks the first 7,000 a year, with the US eventutime that Jaguar has used a mulally accounting for 55 per cent of
worldwide sales and the other develop a new car with team
key markets of the UK, Canada, members drawn from most functions in the group including engi-West Germany, Japan and Australia accounting for a further 35 neering design and development, quality, purchasing, manufactur-ing, finance, and sales and marper cent. Jaguar hopes to sell 600 convertibles in the UK this year keting. The concept is now being

rising to 1,000 in 1989.

Although it is working hard to develop its markets in West used on other Jaguar projects.

Jaguar has drawn heavily on
the expertise of Karmann, the West German design and engi-

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for the Castle Bromwich body assembly plant. Karmann also built the fully engineered proto

Jaguar has invested around £25m in the complete develop-ment programme, which has involved changing or modifying around a third or 156 of the origi-

nal XJ-S body panels. Led by its market research, Jaguar says it has sought to build the new car's image around "glamour, performance, prestige exclusivity and classic elegance.

Not surprisingly, the likely customers around the world will be affluent in the UK probably over 35 years old and a starting salary in excess of £35,000-£40,000 a year. But according to Jaguar, they will also be "ambitious, successful entrepreneurs and professionals, international in outlook and cosmopolitan in taste.

With the new F-type sports can currently under development, Jaguar is seeking to expand its appeal to slightly younger cus-tomers. "What we have to do when we expand the range is to look for a car that appeals more to the baby boomers, the 40 plus rather than the 50 minus," says Mr Roger Putnam, sales and mar-keting director, "there is room, heavily for sales of the new con-vertible on the US, which last designed the power operated year accounted for around 70,000 hood, as well as new press and of the 100,000 luxury sports cars assembly tooling including an the XK series."

# P&O dismisses 720 seamen as ferries prepare to break strike

DISMISSAL notices were delivered yesterday to 720 Dover mem-bers of the National Union of Sea-men who are still in dispute with P&O European Ferries over its plan for revised working prac-tices and redundancies.

P&O said it was confident that two of its 11 ferries would today put to sea from Rotterdam to break the three-month Dover

The sailings seem likely to coincide with a High Court hearing in London, which threatens to break the union.

The NUS will learn whether it is to be fined or sequestrated for contempt of court, after a 300-strong picket at Dover's Eastern locks vectorial to the court of docks yesterday prevented two Sealink British Ferries ships from sailing.

The company yesterday won a soci court order that the union was in gage contempt of an earlier injunction, which was issued over unlawful secondary action against Sealink ferries. The sailings were can-celled after pickets persauded a handful of Seelink crew not to go

The picket had begun at 6am in good humour, with a police superintendent greeting the line, on the docks allproad, with a "good morning gentle-

But mixed with the good humour was apprehension about what lay ahead. "If they get a admitted one picket, whose only income during the strike has been £50 from the union and £33 in social security. Others talked about drawing £2,000 from savings and of



societies about unpaid mort-At 8.20am women who were attempting to persaude drivers not to enter the docks, noticed a P&O lorry approaching. The pickets were called from the pavements and flowed through the police lines where they formed a block in the middle of the road. As police began to shephere the pickets to the side of the road, a German lorry driver decided to forge through at

speed, sending police, camera-men and pickets flying. There were scuffles and heated arguments as the P&O lorry while going it might stay firm, it finally edged its way forwards might crumble - we just do not and broke through. Not all pickets involved were seamen, as one picket admitted: They have just pulled out a load of Kent min-

But it seems the union's show pared to cross picket lines to of strength, which it plans to resume work.

sum McClusky, seamen's leader, directs the Dover pickets ened by a throng of seamen from around the country, had little

impact on the company's plan-Harbour authority officials at the Wilten Feyenoord docks said last night that they had been told privately that the company was planning to put the Pride of Bruges and the Pride of Kent to sea today. This followed the arrival of 30 more officers and ratings from the UK. A third ferry may follow by the end of

> P & Q said they had rostere Dover-based seamen to replace the crews once they arrive at the port. The company said 1,100 of the 2,200 seamen involved in the dispute had accepted the its revised working practices. After contacting the men yesterday it was confident most would be pre-

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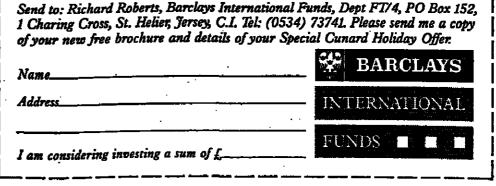
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# **Insurer** issues no payout policy for AIDS deaths

LEADING UK composite insurance group Commercial Union Assurance Company yesterday announced the creation of a new type of a life assurance protection contract that excludes payment if death occurs directly or indirectly from AIDS (Acquired Immune Deficiency Syndrome). This is the first time a life

company has issued a contract excluding payment of claim on death arising from a specific cause, other than suicide. The move has caused a cer-

tain amount of consternation in the UK life assurance industry, in particular the reinsur-The impact of AIDS is result-

ing in life companies making substantial increases in the cost of life protection, with term assurance premiums often more than double those companies which have already announced new rates.

Mr Peter Ward, deputy general manager and UK divisional director of CU, said that the group had been looking at means of mitigating the impact of AIDS on premium costs and was launching the new policy from the middle of next month to see if there was demand for the product.

At this stage it seems doubtful whether other life companies will follow the CU lead, due to the practical problems of ascertaining the cause of

# Shakeup proposed for commercial TV

BY RAYMOND SNODDY

THE Independent Broadcasting together with the existing levy Authority yesterday unveiled on profits which would decline as radical proposals for the future of competition increased. commercial television in the UK, including a yellow and red card system to discipline companies breaking the rules, and backing for a fifth channel financed by

advertising.
The IBA proposals, sent to the Government yesterday, also envisaged a new kind of publisher-contractor who would be able to apply for franchises without owning studios or employing pro-

and advertisers had important and legitimate interests in commercial television "the overriding interest is that of the British

new land-based and satellite hannels were introduced.

More need not mean worse.

But if it is to mean better it tion on the regional boundaries requires conscious decisions by Parliament," Lord Thomson said es he launched Independent Television in the 1990s a policy document that has been under consid-

eration since last autumn. franchises out to competitive tender, the IBA proposed the introduction of a tax on advertising revenue for the new franchises beginning on January 1, 1993, man at the end of this year.

As an alternative, the IBA also

put forward its own proposal for a form of tendering involving the valuing of each franchise but with the final judgment made on programme plans.

Apart from the proposals announced yesterday, the Authority is also planning studies on a number of issues

Lord Thomson, chairman of possible to take over ITV compathe IBA, said yesterday that although both ITV companies and advertisers had immediately as a possible to take over ITV companies. native to cometitive tendering. Instead the majority dec further consideration should be given to whether the present limguard that interest during a cent without special dispensation period of technological change as — should continue and — should cont its on the size of shareholding in the takeover of ITV contracts

should be allowed Research and public consultaof the ITV companies will be carried out in 1989 but Lord Thom-

son expressed faith in the exist-ing regional system.

"On the whole, the information we have at the moment indicates In a move to try to head off that the advertising revenue is Government plans to put ITV likely to be buoyant enough to maintain a very strong regional system if not identical with the present one," said Lord Thomson who is due to retire as IBA chair-

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# RAND MINES PROPERTIES

Interim report for the six months ended 31 March 1988

The unsudited consolidated results of Rand Mines Properties Limited ("RMP") and its subsidiaries for the six months ended 31 March 1988

RCOME STATEMENT		das ended. Vasch	Year ended 30 Sept	PATTAGES SEES.	31 March 1982 1988	30 S <sub>ej</sub> 100 200
	1991	1967 1800	· 1987 3200	Source of capital Share capital and reserves	139 247	333 02
	2400	1000		Tarabam Kalifili	46	. 4
WHO PET	30 \$45	46 121	104 687	Deferred specific (note 2)	14 4ZB	126
					154 162	1460
peacing profit(loss):				an to an advantial		
Properly	(J. 106)	<b>5 434</b>	583	Employment of cupital Plant and the	148 342	131 6
ind teatment	13 290	8 576	21 350	Property development, sownships and		
	11 255	14 016	27 203	Property contextunent, community and	30 556	. 31.1
sexual received	244 244	261	376	Cutter agents	9095	12
ELECTRONICAL DESCRIPTION OF THE PROPERTY OF TH						
	<b>11 490</b>	14 271	27 639	Stocks and stores		( 4
eregt paid	57	73)	86	Debjots	2518	4
ofit before taxation	11 448	14 201	27 491	Cash and gold on consignment	2184	3
station (note 2)	2712	4413	6 162	Total assets	150 263	178
				Carrent in billion	25 161	. 2
चीर और १३१वर्धिक	8 734	9 788	19 329			
				hategast bearing	34	1.
ares in ispae (000's)	32 46 <b>3</b>	12 403	12 403	Other	\$567	<b>=</b>
mines per share (cents)	79	79	136	· ·		_
		17	80		154 162	146
ridends per share (carts)	<b>#</b>	ш	<b>a</b>	Sallout Sectoris		
t included in profit efter terration:				Net agest value per state (conta)	1123	. 1
Surplus on disposal of investment				Liabilities to equity	0.19 0.35 ·	. 9
property (note S)(2000)	1214	1672	1672	Current zatio	1.35 ·	- 1

	-	: montes en	***	Yes ender
Review of results		31 March	30 Sext	30 Sep
	معبسب در 1962		1967	198
and treatment				
Operating results		2687	3601	637
and and sime treated (000 toss)	3 436		1656	2814
Rold produced (kg)	1 436			
laid (grams per ton)	0.48		0.45	0.4
evenue (rand per ton treated)	14.46	12,38	13.52	13.1
our (rand per ton treated)	9.86	8.16	9.04	8.6
orieng profit (read per ton treeted)	4.60	4.23	4.88	1.6
old price received (need per kg)	30 515	28 334	<b>30 132</b>	29 38
_	3200	32000	B200	2000
T-1508	55 540	33 253	50 268	83 52
X3	32 \$25	21,828	35 363	55 29
orking profit	17 465	11.825	16 905	28 23
nomination.	4465	2743	4 131	688
cerating profit	13 190	8 576	12 774	21 33

quest combateou of the resorts but the resbectus his immigit be tent along characters at one cut memb being mand commission of

Gold hedging The proceeds from hedging transactions complete of the nevenue derived from the sale of gold. A company had sold gold in tenses of its hedging open	t the end of the half year the
	Areage minimum resiteable

April 1988 to September 1988 totalled RLS million (31 March 1987: R10.1 mil

There has been a slight increase in the level of enquiries for industrial and commercial land. A number of sales are passently under negotiation but will be subject to the fulfilment of suspensive conditions. Provided these conditions are met these salest will be taken to account during the second half of the current

Assisted in the 1967 Amnul Report the group has changed from the comprehe sive to the partial method of providing for deferred texation. The above man were computed on the latter hasts with the comparative figures having be mutated. Had the comprehensive bests still been applied the means would be

		the enried. Seach	Year ended 30 Sept
:	3900 3900	2987 2000	1967 1900
Profit before toution.	11 446 2 235	14 201 4 478	27 491 8 217
Profit after tecration	4 661	9 723	19 274
Eagnings per sizes (cents)	70	. 28	156

on by R73 (00) at 31 March 1968 and by R95 (00) at 30 September 1997. The deferred tax between reflected in the believe sheet includes an execut of 1233 000 (30 September 1982: \$233 000), which is the excess of the believe as reputed at 30 September 1986 over the liability as calculated under the putial noticed at that date.

Jangum of interessment payers; The supplie striking from the disposal of an intestment properly stude 725 and 777, in East: Street, control Johannesbury has been transferred to son-distributable

ion of the sand treatment plant at Pilorin's Rest, in which the o est, is nearing comp completion within the budgeted cost of R183 million scord during March, 1988 and the plant is expected to capacity of 20 000 tons per month during June 1986.

i. Prospects for the year

It is estimated that the group peofs after taxation for the year will be approximately
of the same cutier as that achieved last year. This estimate assumes an average
gold price, in rand terms, of R31 500 per kilogens for the remainder of the year
and additional township land sake of R7.5 militon, presently under negotiation. It
was a land of the prospect to the fulfilling ed under the property review in zone 1, these sules are subject to the ful

t- ceftiff exhaustra our cerestial	44 1000 <del>-</del>	en derby
	1968	1967
	12500	<b>JE008</b>
Capital expanditure incurred		
		-
-Crown Mines and City Deep plants	3 257	27 008
- Pilgrim's Rest plant	9 688 .	6734
- hyperment buildings and other assets	546	3 591
	13 563	36 323
Capital contributation		
- Contracted commitments	2 283	8884
- Approved, not contracted	884	1 100
	3 537	6988
	3 641	_0300
Capital commitments relate mainly to the cost of a	apagatas ao spé Cao	ومه خودوم کن

An interior dividend of 30 cents (1987: 17 cents) per share has been declared in

It has been decided to reduce the disputity between the amount of dividend and the final dividend, and the interior dividend has according variesed to the mini curvariest, and it primarily consists are accordingly from inchesed in the belief that the total dividend for the year could be of the order of 30 For and on behalf of the board

D.T.WATT

LR.FORRES A.B. HALL

referent some en entitettige sommette journimetering mitt Louision finding 1842 day allen 21. May 1988 om which foreign Consessy denlings and

<del></del>		<del></del>
Declaration	of Dividend	1 No. 24

Notice is becaby given that dividend number 24 of 30 cents per share has been declared in South African currency as an interim dividend in respect of the year ending 30 September 1988 psychia to members registered at the close of Immines on 20 May 1988.

The register of symmetric of the company will be closed from 21 May 1988 to 29 May 1988, inclusive. Dividend wearants will be posted on or about 24 June 1988. The rate of exchange at which the dividend will be convented has United Empdom currency for payment by the United Engdom registrars, transfer and paying agents

For and on behalf of the board

car the first busin



8, MIA Secretary



# Tokyo Pacific Holdings N.V.

Registered, effice 5 Frans Avenue, Crown Mines, 2014 – Brash Africa (P.O. Box 22, Crown Mines, 2005 – Study Africa)

ward Hersiel Read

Notice is hereby given that the Annual General Meeting of Share-holders of Tokyo Pecific Holdings N.V. has been called by the Manager, Intmus Menagement Company N.V. The Meeting will take place at John B. Gorsraweg 8, Willemstad, Curação, Netherlands Ambles on 19th May, 1988 at 10.30 a.m.

The agenda and the annual report 1987 may be obtained from the offices of the Company at John B. Gorsrawag 6, Willemstad, Curação or from the Paying Agents mentioned hereunder. Shareholders will be admitted to the meeting on presentation of their certificates or of vouchers, which may be obtained on or before 13th May, 1988 from any of the paying agents.

Willemstad, Curação, 27th April, 1988 Intimis Management Company N.V.

Pierson, Heidring & Pierson N.Y.
Herengracht 214.
1016 8S Amsterdam Street
London EC2N 1EJ

l'Européenne de Banq 21 Rue Latfitte, Paris 9 Sal. Oppenheim jr. 4 Cie. Unter Sachsenhausen 4 D 5000 Koln

Kompsallee 21-23 D 4000 Düsseldorf 1

Tokyo Pacific Holdings (Seaboard) N.V.

Curação, Netherlands Astilles

Annual General Meeting of Shareholders

Notice is hereby given that the Annual General Meeting of Share-holders of Tokyo Pacific Holdings (Seeboard) N.V. has been called by the Manager, Intimis Management Company N.V. The Meeting will take place at John B. Gorsiraweg 6, Willemstad, Curação, Netherlands Antilles on 19 th May, 1988 at 10.00 a.m.

The agenda and the annual report 1987 may be obtained from the offices of the Company at John B. Gorsiraweg 6, Willemstad, Curação or from the Paying Agents mentioned hereunder. Stareholders will be admitted to the heating on presentation of their certificates or of rouchers, which may be obtained on or before 13th May, 1988 from

Willemstad, Curação, 27th April, 1988 Intimis Management Company N.V.

Plenson, Heidring & Pleason N.Y.
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**FINANCIAL TIMES** 

# **UK NEWS**

Michael Donne assesses fears over air traffic growth

# Aviation worries land on Whitehall

THE GOVERNMENT'S approach to the problems of civil aviation must be revised as a matter of national priority, the Civil Avia-tion Authority, the industry's supervisory body, believes.
This warning arises out of

growing concern about the rapid growth of air traffic over the UK

and especially over London
and the south-east of England. The CAA has launched a study into the future handling of civil

aviation in the UK and plans to send this to the Government later this year.

It used the opportunity of its evidence yesterday to a House of Commons transport committee to make clear that the problems of congested skies could not be solved simply by investment and improved technology in air traffic control. What was neded was a fondamental Government reappraisal of policy.
In an extensive study submit-

ted to the commit the CAA makes it clear that some of the statutory controls imposed upon it are retarding efforts to stable decisions makes pace with the traffic growth; that current environmental restrictions are also hampering growth is to account the contract of the cont the development of civil aviation; and that unless policy changes are made, the growth of UK civil air transport could well come to a

standstill in the years ahead.

Mr Christopher Tugendhat,
chairman of the CAA, said yesterday. The sky is not an infinite resource, and we need to look at how we are going to han-dle our use of it in the years

ahead."
The CAA says that "only a limited traffic increase above current levels can be handled within the present system," while main-taining the desirable standards of

Much is being done to improve the technical capabilities of the air traffic control system, with some £600m of new investment planned between now and the mid-1990s, and with efforts to

ing what many may see as radi-cal measures. These include eas-ing environmental restrictions, making more use of larger air-craft, by possible use of discriminatory charges for different types of air traffic, by restricting cer-tain types of operations (such as domestic flights) to certain airnorts, and by restricting airspace

these solutions - indeed it is



Congested airport check-ins: more flights, more passengers

opposed to some of them – the passal of the priorities laid down apply this solution without a clear direction from the Secretaries of State for Transport and Defence, whose present directions require the authority in a sport in the succession of the priorities laid down apply this solution without a clear direction from the Secretaries of State for Transport and Defence, whose present directions require the authority in effect to cater for the interests of a large passal of the priorities laid down apply this solution without a clear direction from the Secretaries of State for Transport and Defence, whose present directions require the authority in effect to cater for the interests of all sizes of state for Transport and Defence, whose present directions require the authority in effect to cater for the interests of a specific passal of the priorities laid down apply this solution without a clear direction from the Secretaries of State for Transport and Defence, whose present directions require the authority in effect to cater for the interests of specific passal of the priorities laid down apply this solution without a clear direction from the Secretaries of State for Transport and Defence, whose present directions require the authority in effect to cater for the interests of the priorities laid down apply this solution without a clear direction from the Secretaries of State for Transport and Defence, whose present directions require the authority in the CAA clear direction from the Secretaries of State for Transport and Defence, whose present directions require the authority in the CAA clear direction from the Secretaries of State for Transport and Defence, whose present directions require the authority in the CAA clear direction from the Secretaries of State for Transport and Defence are clear directions from the Secretaries of State for Transport and Defence are clear directions from the Secretaries of State for Transport and Defence are clear directions from the Secretaries of State for Transport and Defen

It said that more than 3m air. craft movements were handled throughout the UK last year. Even an average annual rise of 3 to 4 per cent would result in intolerable pressures on the air traffic control system by the

"Unless action is taken, delays "Unless action is taken, delays will tend to increase, with flow management (restricting the number of flights) being required to smooth the demand to within the capacity of the system.

"However, at some point the frequency and magnitude of delays could start to disrupt the operational cycles of sirling ser-

operational cycles of airline services, especially charter operations, leading to flight cancellations and producing passenger resentment and cost penalties

The CAA says it does not have ind-1990s, and with efforts to improve the pay and working conditions of controllers.

But the CAA also says that much more can be done by adopting what many may see as radileast, require a modification of the duties placed on the CAA and by statute, and of the directions which the Government has given

> peak loading on the ATC system is by spreading traffic further is by spreading trainic rurner into the night hours, by easing pilot training – some at least of tional organisations.
>
> This would require a reap
> The CAA says that it cannot Authority, London, £4.

المرافات فالمنبة فقفقة بخيداه المندوا بملافاتك وأؤدى المحدة الدائد فيناس الافارات المادات

would be to insist on airlines using bigger aircraft. This is already done by some operators, especially at Gatwick, south of London, but the passengers themselves often want higher frequencies with would in particular be difficult to construct a charring only to construct a charring of the construct as charring only to construct a charring of the construct as charring only to construct a charring of the construct as charring only to construct a charring of the construct as charring only to construct a charring of the construct as charring only to construct a charring of the construct as charring only to construct a charring of the construct as charring only the construction of the cons quencies with smaller aircraft cult to construct a charging

across the Government's present international obligations not to policies of favouring increasing discriminate," it says. that those policies would require sary for the Government to deter-responsisal. sary for the Government to deter-mine the relevant priorities to

airports – directing certain types
of traffic to specific airports.
Overseas airlines might well
object to such a system being introduced. As a result, the CAA says the UK's problems are not unique. "Similar problems are making themselves felt, in some cases acutely, in other parts of the world and, there too, some difficult respitators but recognises that some day it may have to come.
Another possibility to be sind.

on this basis to the operation of other countries on the Continent commercial air transport ser-do.

"There is no doubt that many or suppressing present and of the issues to be resolved in the future demand by such other air coming years are European in space users as sir taxi operators, their scope and will only have company aircraft, private fliers, European solutions through balloonists, parachate clubs and Eurocontrol and other supranapilot training — some at least of the Traffic Management is the

rather than fewer flights with scheme that was an effective dis bigger aircraft. criminator between one airspace
To enforce changes would cut user and another, given the UK's criminator between one airspace

reappraisal.

Yet another possible solution is what is called "sectorisation" of airports – directing cartain types

The CAA says the UK's probable to particular airspace users.

The CAA says the UK's probable to particular airspace users.

day it may have to come.

Another possibility to be studied is restricting the use of UK may have to do to cope with airspace by non-airline traffic. "If absolute priority were to be given stantially dependent on what on this basis to the operation of other countries on the Continent

# 405,610,000 DM

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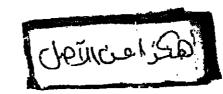
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# Canon

The past 50 years have seen Canon's innovation and quality make it one of the fastest growing companies in the world. In its anniversary year, the emphasis is on progress towards becoming a global corporation in a new phase present and future.

other related products (optical some borror thirteen years later: equipment), but into pace-but in retrospect if marked a setting diversification in quin-second birth for the company. setting diversification in quin-tessentially modern industries - Under a new president, in Canon's case, business mach Ryuzaburo Kaku, Canon reines. In its multinationalism, its

But its history, again like that of Japan's manufacturing success generally, has industrial about without far antedate the national tripse in the common of Japanese manufacturers were taken seriously by Western belief of some young Japanese enthusiasts that they could actually produce a 35mm camera would stand comparison in 1933. Two years later, they had proved their point, and two years after that the Precision Optical Industry Co. Ltd., and with it the official history of Canon, got under way.

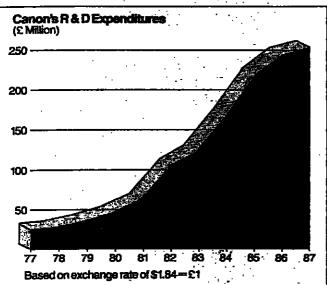
Canon's progress (or Japan's) across the company and known has been a continuous, trias CDS, CPS and CMS - for umphant advance. The stunning Canon Development, Production

as a one-company demonstra-tion of how Japan took its long march to the forefront of the world economy. In many re-spects, the company, like Japa-nese industry in general, is a post-war phenomenon, a tech-nology-led business which has advanced far beyond its original core in cameras, not only into other related products (outical

created its management sys-tems, replacing those which had let it down; still more important, pursuit of unique technologies tems, replacing those which had and its global branding. Canon let it down; still more important, is a prime example of the national thrust into world markets, become "a premier Japanese

Kaku had no doubt, either, cess generally, has industrial about which roads to take to roots that far antedate the national economic miracle. The manager, he had noticed how, story began many decades whenever Canon introduced a new product, profits susged forward. Whenever innovation lagged, on the other hand, so did "Premier Company Plan" started), the spate of new pro-ducts has been unending - in cawith the fabled Leica. That was raphics, laser beam printers (one in 1933. Two years later, they of Canon's latest market leatypewriters, semiconductor production equipment, medical equipment and much else be-

The Plan hinged virtually on sustaining a flow of research and development into these new Today, not only is Canon the products, through the manufacworld's leading camera man-unfacturer, but the driving force of matching and, if possible, ex-celling the best of the competi-tion has never waned. Not that









**Profile of** Ryuzaburo Kaku -page II

Valuable ally on the Euro scene -page II

Fifty years of productive landmarks -page III

Developing fresh ideas

# of internationalisation. ROBERT Soaring success of innovation HELLER assesses Canon's past, Soaring success of innovation

and Marketing. CDS is charged with research and creation of new products and technology.

CPS with achieving optimum quality and rationalisation in all facilities, and CMS with operating "a scientific and systematic marketing plan to pro-vide personalised service to every Canon customer".

.  $\square$ 

The three pillars support three product groups; cameras, business machines and optical products, each consisting of specialised divisions (like video products, business systems, or broadcast equipment) and each operating as an independent vertical profit centre. Canon, which constantly revises its inwhen constantly revises its in-ternal structure, prides itself on this "unique" matrix organisa-tion, which has certainly served well in its advance through the objective of "premier Japanese company," to the next ambition of premier "global corporation".

global giants, Canon is not espe-cially large, although 1987 sales of 976,000 million yen (£4,250 million) are impressive enough, especially when compared to the 195,000 million yen of 1977; over the first decade of the Plan, profits grew 22 times, and sales eightfold. This surging expan-sion has been accompanied (and spurred) by an equally powerful build-up in Camon's technological armoury; this has a dual role to play in a new era in which no one corporation can hope to develop all needed technologies itself - even one spending as much as Canon around £250 million in 1987. Instead, Canon will exchange

its unique technologies with those of other companies as it pursues its global ambitions. Nor pursues its global amortions. Nor is this the only way in which Canon is embarking on far-reaching change as it adjusts to fundamental economic developments. Well before the yen entered the steepest arc of its upward curve, Canon had seen the necessity of moving manufacture into its markets. The new phase of "internationalisattom" as Raku calls it, was in-itially prompted by the trade im-balance (and trade friction) between Japan and the chief comtries where Canon sells. The company had in fact opened its first factory in West Germany, to make copiers, three years before the Premier Company Plan got under way - the plant, at Glessen, was the second overseas factory, following the 1971 establishment of a camera faci-

lity in Taiwan. A year after Glessen, in 1974, a Californian plant opened to make copier consumables and other products. Nine years later Canon set up a French operation which now makes copiers, electransceivers, while another American operation, in Virginia, produces copiers. With manufac-turing joint ventures in the Republic of Korea and in Italy (parinered by Olivetti), and licensed plants in India and China, Canon has advanced quite briskly towards becoming truly global – and the intention is to take the global process further by establishing R & D centres in its markets as its national companies develop into free-standing businesses within the

global corporation.

The policy doesn't sound dis-similar to that followed by the American corporations when they first branched out across becoming a "global corporation" is to rank among the US-based giants (and the few Japanese groups which have joined them). But there is a big difference between Canon's situation (not to mention its philosophy) and that of the post-war creators of "the American Challenge". Canon

count this far more multina-tional complexion, Canon aims revolutionary changes in busi-to create something going well ness automation.

The work includes tion into a global corporation" and "is aimed at making the Company a permanent and into the prosperity of all nations ducts reaching the marketplace. through the provision of meaningful employment, reinvestment of profits, and support of human welfare activities".

While Canon is by no means Some have already arrived: oblivious to the public relations the X23 calculator for example, neither experience of the in-neither experience of the in-dustry nor any technical gui-dance. It sowed the seed for Canon's later habit of setting itself stretching technological money. This humanism also has

It hasn't always been first, even in its base territory of photography; in auto-focus compact cameras and again in autofocus single lens reflex cameras, Exhibits include not only a wide range of current products in the other companies led the market.

management, even though this andm

automation, an area where Canon is investing heavily to achieve leadership in both stand-alone machines and the systems which will combine them in the office - and the home-of the future.

Equipment like the Color Laser Copier, which in 10 months of 1987 outsold the entire Japanese sales total for the previous eight years, is re-markable enough; but the still faster models of 1988 use an octbubble-jet system, to achieve standards of reproduction that were once thought impossible. This swift progression illustrthey first branched out across ates the overall strategy, which, Western Europe and the Pacific true to Kaku's original percepin the post-war period. They too tion of the nexus between inno-saw the need for local manufac-vation and profit, is to use the ture, sometimes backed by local company's broad range of availconstant flow of new products

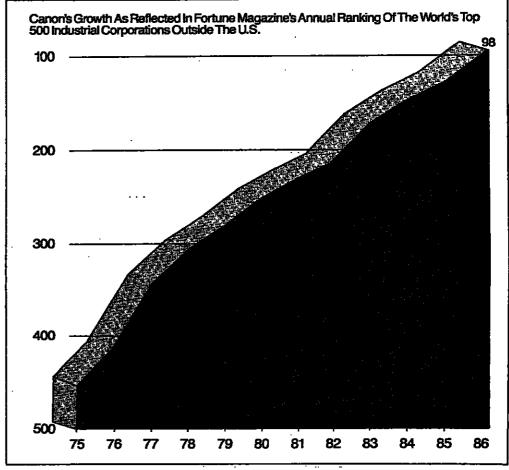
and upgradings in order to sa-tisfy market needs. Canon is highly sensitive to the latter; its Personal Copier, for example, embodied some re-volutionary technological ideas, but sprang from the American American Challenge". Canon marketing company's glimpse of begins from a position of having a gap in the market. The new a vastly greater proportion of its technologies on which Canon is business. a vastly greater proportion of its technologies on which Canon is business overseas - under a currently working thus give an insight into its view of where Japan, less than in either North future markets lie - and, if America or Western Europe. Canon is right, they will be far

ence, or AI – the simulaor Canon into the Future, "to ention of human thought by electorage all our employees to tronics; expert systems utilising think about future potentials a database to simulate human and possibilities... and launch decision-making in specific (Canon) into the 21st Century". fields; superconductivity, the ra-The corporate strategy will pidly emerging technology focus "on Canon's transforms which could have enormous consequences in electronics and electric power generation; and many advanced materials and tegral part of its worldwide host processes which may well have communities and contributing dramatic effects on future pro-

value of these expressions of sim which responds to numerals (or by supporting community written anywhere on its panel, is sports like English soccer), it a forerunner of what AI will would be a great mistake to sup-pose that it doesn't mean what it tion of business machines. Hardpose that it doesn't mean what it tool of business machines, Hardsays – or that it won't do as it ware has thus been joined by says. Its whole history, from software as "a major focus of that moment in 1933 when those product development", which young men decided to outdo the will be used to "weave" its busilesica, has been one of naming ness machines and technologies objectives and proceeding to "into new, integrated systems that meet them. The first 35mm that meet total customer needs". camera was an extraordinary This emphasis on "needs" is achievement for people who had an essential element in a four-

deep roots: Canon was one of the first companies in pre-war Japan to remove the distinction be-tween blue and white-collar workers.

Its principles are as hard, actual and visible in its management style as the profit motive or as the technological dedication sowed by those young men whose camera dream has turned





**Prince Charles opening Europe Expo** 

HIS Royal Highness The Prince Of Wales today opens Canon Expo Europe '88, a four-day Canon 50th anniversary exhibition for invited guests from all over Europe at London's Queen Elizabeth II Conference Centre in Westminster.

consumer, business, medical and industrial areas, but also displays in both cases, Canon eventually into so enduring a reality. on Canon's advanced research into new technologies such as artificial established what has become its intelligence and laser fusion. The Expo has previously been staged in seemingly inevitable leadership though its EOS autofocus

Prince Charles opens the event as President of the Prince's Trust, camera had to incorporate sigand Ryuzaburo Kakti, President of Canon Inc., is to present the charity mificant advances in technology with a donation and 30 Canon Communicators – compact tape writing machines which provide a simple but effective means of communication for motor-impaired and speech-impaired people.

The charity mificant advances in technology to recapture that lead in SLRs.

But defeat in cameras would no doubt be unthinkable to Canon's of a number of books on business.



# Kaku — reaping seeds of change

ELEVEN years ago a small, vities such as writing was post-quietly spoken man took over poned so that he could per-canon and started a revolu-tion. He had been sowing seeds through the difficulties.

Policies initiated to combat of change in the company since roughly since pointing in the mid-1950s, but in endaka included promoting 1977 Ryuzaburo Kaku was of-sales in the Japanese market, fered the chance to become cutting expenses in sales and Canon's President and prove administration, increasing R & D his radical theories. He took expenditure to develop high the challenge and promptly unvalue added new products and cantal technologies.

Japanese company known pri- spoken critic of current Japa marily for its camera products nese economic policy and he and it was facing adverse led his company in a radical trading conditions. Today the solution - he began the transicompany is a global entity tion of Canon from a Japanese with products ranging from based multinational into 35mm and video cameras to co-piers and laser printers to diag-the countries in which it nostic medical equipment and trades.

in the jargon of the West, Surprisingly, Kaku has been taku has "turned Canon able to rescue Canon from the around". He did it by quiet per- difficulties caused by endaka sistence and through a pro-without closing factories in foundly-held personal vision Japan and without laying off which will strike many Japanese workers. The start-

the challenge and promptly unvalue-added new products and veiled what he called The technologies, and capital Premier Company Plan'.

A decade ago Canon was a facilities. Kaku became an out-

canon now manufactures, marketing with local staff to researches, markets and pio-produce profit for local use. His neers throughout the world, efforts at combatting the proburducing 70 per cent of its revenue outside of Japan.

In the jarann of the West

# **PROFILE by Ray Hammond**

contribution to the society investment and R & D. This which supports it - in this case step was courageous at a time the global society. For Kaku, when income was shumping that contribution doesn't stop and the company was conten-at providing jobs and high re-plating losses for the first time turns for shareholders, it ex-in a decade. tends out into the community productivity.

The Canon which Kaku took benefit mankind has its root in over was very different in style the President's own experito the corporation he has built ence. on these foundations. He describes it as being 'sluggish' and survivor of Nagasaki and, as a 'full of bureaucratic attitudes conscripted student working in which drained the organisa the shipyards, he was responsible for excitation the little for excitations. which drained the organisa-the smpyarus, he was resput-tion of its ability to respond to sible for saving the lives of changes in the operating energing the lives of vironment. What he means is aftermath of the bombing. As a that Canon was in deep trouble 19 year-old student Kaku had and had no answer to competition which was emerging at college before being drafted, world-wide.

Kaku's plan called for complete restructuring of the complete restructuring of the company. But first he made clear tion theory to persuade his cothe basic philosophy he shared workers to wait in an underwith Canon: he wanted to build ground tunnel after the im-

underlined by his extraordiunderlined by his extraordiissues and the day-to-day detail
issues and the day-to-day detail
of running Canon.

In the last two years Canon

respond and the enforced up tricity.

wards re-evaluation of the Yen "I believe that a company 'endaka') which resulted from has to contribute to the society

In 1986 President Kaku an- me. "One of the areas of which nounced that the Premier I am most proud is our re Company Plan, which was in search into developing more et-the final year of the second ficient solar energy cells. They phase, be carried out as can be used to produce pro planned but with some major ducts which truly benefit both changes. A private plan to society and Canon. hand on the Presidency and • Ray Hanasoud is a well-known assume the Chairmanship to journalist, author and breadcaster devote more time to other action high technology.

As a basic tenet, 61 year old international trade and the re-Kaku believes that the only ac-ceptable reason for a major rencies occurred following a corporation to exist is to make bold increase in international Kaku's vision of a compan

which regards its people as a which enhance both life and prime resource and which productivity.

wants to produce goods which

a company which further up holds human rights and dignity while striving to build better technology and products through innovation.

In a meeting Kaku appears explosion to dig out machinery shy and, in typical Japanese from a destroyed factory, and style, very anxious that his thereby avoiding the almost guest should feel at home. But his dominance within Canon is The scene of hell-like devasta-

serious as the one which af as commercial value. His attiflicted the company when he tude is best summed up by his took over. The Japanese view of Canon's research pro-government's laissez-faire atti- ject to build more efficient rude towards trade surpluses solar cells for converting the forced the western nations to sun's natural energy into elec-

this policy has hit all international Japanese corporations. earn money from it", he told

stock exchanges. As of December 1987, foreign

# **Avaluable** ally on the developing **Euro scene**

AT 7.15 am every weekday goal for Canon is to develop its morning, some 400 West Gersubsidiaries into integrated commans living in and around penies in Europe, encompassing Glessen near Frankfurt start a full range of activities from work at one of the largest and R & D to sales and service supmost integrated copier plants in port, and then to list their shares

heen employed there for be-tween five and ten years, and over 80 supplier companies employed in Canon's European within Europe provide services activities has grown at a com-and parts for the copiers they pound annual rate of 80.2% and manufacture. More than 6700 now stands at more than 6,700. Europeans are employed did in the UK, for example, the rectly to market, sell and service number of people employed those and other machines, and directly by the British subsidthose and other machines, and many more are employed indirectly by distributors and dea-lers throughout Europe who At Canon Gies sen, the size of

It was formed when the assets of an insolvent copier tech-

nology company were acquired

by Canon Inc., and began producing the company's then re-

Says Ryuzaburc Kaku, Pres-

1963, the company's investments in Europe have mounted stea-

dily and now exceed £100.8 million. With each successive de-

velopment of original copier and electronic typewriter tech-

European operations generated wealth valued at £272.6 million,

virtually all of which remained in the respective countries as a

net contribution to their economies. Nearly 55% was paid out in local wages and benefits, and nearly 22% in rents, taxes and local financing charges. Profits were not repairiated, but re-

And as Canon expands its

namufacturing and technical activities in Europe, the Commu-nity share of the total value

added from its original product and processing technology is continually rising.

Accordingly, its employment of European services such as ad-

vertising, sales promotions,

travel and shipping grows apace. In 1987, Canon's payments for these services amounted to

£101.8 million. In addition, more

than £16 million was paid to European financial institutions

To encourage even broader European participation in, and

benefits from, Canon's wealth-

creating activities, the parent company offered convertible

bonds in Europe as early as 1963, and has listed its shares on the

Luxembourg and Frankfurt

shareholding in Canon was approximately 11.09%, more than 61.6% of which was held by European investors. A long-term

and realtors for their services.

the workforce has increased four The plant in question is Canon Hessen GmbH, formed in July times since 1973 and the plant has grown to occupy around most of the Canon NP range of new factory was completed in 1986 to update production techoffice coniers sold by the com-pany's subsidiaries and distribu-tors within the European Comnology, employing all German-

of the plain paper copier. High sembly, which shows employees precision automatic machinery where to insert chips on the to manufacture these, developed board. The machinery for volutionary plain paper copiers in 1973, just one year after they had first been introduced to the by German and Japanese engitesting the finished boards is neers working in tandem, have also European made. een custom-produced in Germany to Canon specifications.

ident of Canon Inc., "When we first began production in Europe within the European Community include moulded casinga, lids, platen glass, print boards, ling economic reasons to transfer this original tech-nology. But it is our established policy, in keeping with our basic corporate purposes, to parti-cipate to the fullest in the development of the societies which we serve through our products.

"It was in this same spirit that we responded to invitations "Made in West Germany mark,

from the French government to and an R & D departm establish a personal copier fac-tory at a development site in the further investigate alternative suburbs of Rennes in Brittany." materials and other of This second plant in Europe is locally produced parts. In France, Canon res established in 1983, and now also the French government's invitaproducing electronic typew-riters, cartridges for copiers, fac-simile machines, and desktop tion by acquiring a 190,000 sq. metre site at Liffre and estab-lished Canon Bretagne S.A. in laser beam printers, with a stea-dily increasing workforce of August 1983 with a capital of 50 million francs. Production started with personal copiers in about 430 people.
Since Canon established its the latter part of 1984, and in March of the following year Mr first subsidiary in Geneva in

Kaku was awarded the decoration of 'Officier de la Legion d'Honneur' by the French government in recognition of Canon's contribution to the development of the Bretagne re-Since its formation, construc-

nology, it has systematically invested in European manufacture tion at the plant has been almost continuous with the addition of further production lines for other products. To finance this rapid expansion, the capital of Canon Bretagne has been in- A workforce of about 430 people is employed by Canon Bretagne S.A. at Liffre. By 1987, total Canon sales in Europe had reached £1,467.3 milcreased to 170 million francs. lion, having risen by 28.3% annually since 1963. An increasing mustly since 1963. An increasing share of sales has been generated by Canon's advanced office amomation equipment, fostering efficiency and growth of European business in a broad range of its activities, and rendering it a more competitive force in the world economy.

In 1967, Canon's various European constitute searched

Canon's copier plant at Giessen, West Germany, is one of the largest and most integrated of its kind in Europe stantial increases for local supplying of parts, goods, services and automated production nent, as well as indirect

ploying a large number of highly skilled technicians. ufacturing printed circuit boards is particularly advanced diessen, together with com-canon Bretagne is the first ponents and supplies such as Canon factory to use a laser photosensitive drums, the heart guiding system for their as-

work through the many French companies supplying Canon Bretagne - firms which are em-

Production currently stands at some 4000 copiers per month, aims to further extend its own and local parts purchased from store of original technologies; to

to share its innovations with forward the state-of-the-art in people around the world.

optics, electronics and precision

people around the worm.

In pursuit of these objectives, mechanics, Canon is now in a through Universe expenses of Canon's R & D spending has position to co-operate more software technology combined risen approximately 240.5% extensively with European with Canon's in laser and other forms of printers. A high level of technological

co-operation with firms and other institutions of the EC is therefore an essential part of lexis with European partners to Canon's continuing effort to develop new technologies, but is assure the widest possible also joining in the efforts to expendity for the world from its pand overseas markets for European high technology products.

toire; to intensify its pursuit of pean R & D activities. Through third European manufacturing basic knowledge at the frontiers its rapid development of new, base for Camon, and the nature of science and technology; and original technologies, pushing of the joint venture should optics, electronics and precision the office automation field mechanics, Canon is now in a through Olivetti's expertise in

Cooperation, of course, is in-herently a two-way street. Canon is not only engaging in joint pro-

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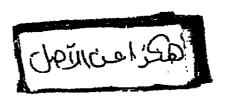




**A MASTERPIECE** 







# In the forefront of technology

nological innovation has been a transferred from the drum to major factor in the company's growth. Over the years, it has led to many pioneering products and firmly established Canon as a leader in terms of quality and

Today, Canon's technological ours and advantage can be seen in a number of products which benefit full colour copying is set to from years of dedicated replay an increasingly major role play an increasingly major role in the reprographic world, in Laser Copier, the award-winning much the same way as autofocus 35mm SLR autofocus has come to dominate the 25mm single lens reflex ters, and a still video system for capturing full colour photoraphic images on magnetic disk for transmission over normal telephone lines

normal telephone lines.

The recently launched Color Laser Copier is the world's first digital full colour plain paper copier and benefits from Canon's traff-blazing expertise in laser beam printing technology, which has resulted in approximately 84% of the world's desktop laser printers being based on a Canon engine.

In creative amplications it is

In creative applications, it is more a design tool than a straightforward copier, boasting a wide variety of image editing and formatting features inchiding colour conversion, independent length and width magnification, and multi-page enlargement for wall poster sized full colour copies.
Image manipulation is pos-

sible on the CLC as information contained on an original is con-verted into electronic signals by line sensor array divided into units of three, covered by red, green and blue filters. At this stage, creative editing is carried out by an image pro-cessor. With an A4 original, for example, the image is broken down into approximately 15 mil-Ron picture elements, each represented by an electronic signal. These can then be altered ac-

and many Japanese companies where they activate a semicon-were facing financial constraints ductor laser, turning it on and caused by the soaring value of off. When the laser is on, it the yen, the company actually strikes a photosensitive drum, increased its investment in Research and Development to ical charge, while areas not more than 11.3% of total world-struck keep their charge.

The partially neutralised areas attract toner which is then drum and picking up toner is re-peated four times, once for each toner colour – magenta, cyan, yellow and black. The four colours are then mixed and fused to

It can be argued that Canon was somewhat a letawas somewhat a latecomer to this particular market, but its EOS power eye autofocus system has made up for any tar-diness by picking up some of the industry's thost prestigious major awards and becoming one of the world's top sellers.

Again, the reason for this lies with technological innovation. Unifice their competitors, the Canon ROS cameras 650 and 620 the working parts they control and an all-electronic signal fer system between body and lens. This provides superior performance in terms of focussing speeds, averaging at 0.4 seconds from infinity to 1m.

The EOS autofocus system is

In contrast to conventional each photo cell in BASIS also frequencies which moves functions as an amplifier, thus rotor like a float riding waves. resented by an electronic signal.

Moreover, because the signal sages, including high torque and charge remains after readout, low-speed rotation, excellent multiple outputs can be co-high-speed response for quick that images can be lengthened or widened, moved around on the page, or changed in colours.

After processing, the signals



Dan Fern, Head of Hautration at Loudon's Royal College of Art, with the Canon Color Laser Copier. In the background feature. Canon has donated the machine to the R.C.A. for research by

nne isos autofocus system is copiers, image readers, centred around a Base Stured Image Sensor (BASIS), developed by Canon and housed in the camera body. Capable of high sensitivity, it allows sharper, inore realistic images even in low light.

In creative to accommend to the copiers, image readers, videotape recorders and other imaging equipment.

Another innovation in the BOS system is the use of a new advanced motor in some of its lenses for quieter and faster autofocus operation. Canon's

autofocus operation, Canon's ultrasonic motor (USM) employs CCD sensors, where signal a principle totally different from charges are transmitted sequenthat of conventional motors. A that of conventional motors. A tially from cell to cell and only piezoelectric element causes a frequencies which moves the

world's first camera to use a built-in microprocessor and

went on to become the best-

Another best-seller was the

selling SLR worldwide.

searchers will expand applica-tions of the USM to include fac-tory and office automation, but at present its use in the EOS EF es offers a number of unique

Problems experienced by

photographers through 'camera shake' will also be eased in the near future by a new image sta-bilisation technology developed The company has dev an extremely compact, high per-formance image stabilisation lens incorporating highly sensitive, built-in accelorometers that ect camera vibration and ac-This use of high quality optics allows images to be corrected without any quality deteriors-

tion, reducing image blur caused ideal for a broad range of apprevious inkjet printers used by camera shake to around one-third to one-fifteenth in hand-enforcement, real estate, medial cameras with telephoto cine, education, science and three colours – cyan, magenta and yellow – Canon's uses eight three shades of cyan and makeness up to 300mm at 1,60th many other fields where visual genta, plus yellow and black. second abutter speed. Subjects information handling is inseen through the viewfinder are portant. stabilised, allowing more ac-

anywhere normal channels.

Though the camera's external

CCD that converts it into electronic medium and dark shades of ink, Fiexibility in combining the tronic signals. The camera sends Canon's printer produces full components makes the system these electronic signals to a colour prints with an impressive

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head which records them mag-netically on a revolving floppy Another new printing tec-disk. As with a record player hnology developed by Canon is needle, the head moves from the perimeter of the floppy towards the centre, recording one field

work on the same principles as VCRs, their picture quality is far better than 'moving' videos. Canon engineers achieved this by making each floopy track twice as long and two to three times as wide as a !" videotape track. Engineers also improved the signal-to-noise ratio to create

frame video images from the TV, shooting out tiny droplets a 'moving' video, a laser disk or a VCR. To get pictures where they are needed fast the Canon-developed video transceiver thickness of a human Matthews. both transmits and receives pictures over telephone lines. In just three minutes, a full colour picture taken with the still video camera and recorded on floppy disk can reach its destination even if it is on the other side of

For printing hard copies, Canon's Colour Video Printer uses Canon-developed ink and paper for high quality prints via two new technologies. Where previous inkjet printers used lecting the appropriate shades

stabilised, allowing more accurate perception of the image.

An imaging technology of the future available today is part of an extensive system comparison of capturing full colour pictures on a 50-frame erasable unit, a printer and a transpictures on a 50-frame erasable unit, a printer and a transpictures on a 50-frame erasable unit, a printer and a transpictures on a 50-frame erasable unit, a printer and a transpictures on a formal processing on a lines.

Though the conventional film caselecting the appropriate shades of ink to correctly reproduce the brightness of the picture.

Also aiding print quality is the analogue modulation system in the dots for dark areas and small ink dots for light areas. Other systems by comparison, modulated without sending images over phone systems, by comparison, modulated arkiness and lightness by control of the picture.

Though the camera's external changing the number of ink design offers few surprises, the drops ejected, inside is a different story. Light, By combining the analogue instead of falling on film, hits a modulation system with light,

hnology developed by Canon is bubble-jet printing. New machines utilising this technology are just becoming available, such as the BJ-130, a desktop black and white plain paper printer which offers fast, quiet operation with near-laser printer quality at around half the price.

Bubble jet printing was dis covered about ten years ago at Canon's central research centre a clearer picture.

To play back images on a TV hot soldering from Making uscreen, the floopy is inserted in of this discovery, Canon dethe recorder/playback unit, signed a print head that works according to the same principle, according to the same principle.

The print head is a row of fine nozzles, each about half the thickness of a human hair. Within each nozzle is a tiny temperature rises in the ink through a pulsed electric cur-rent. Several thousand of these temperature rises are produced bubble that exerts pressure and forces a single, ultra-fine droplet

Many obstacles had to be overcome before the bubble-jet system could be put to practical use. And to overcome them all Canon had to develop an entire new technology with completely new materials.

Engineers from many fields were involved in designing and developing the system, starting for the print head is very similar sible to place more than 400 nozzles within a one-inch length. In addition, head uniformity and

In the near future, copiers

# ty years of productive landmarks

keting organisation spanning over 130 countries and emperating original technologies, ploying more than 37,000 people. This prompted Canon to enter has its origins in a small work-

The company grew and was lenses, and micrographics equip-incorporated as the Precision ment and components before the Optical Industry Co. Ltd. in end of the decade. Optical Industry Co. Ltd. in and of the decade.

Angust 1937 - marking the official beginning of Canon - after it thad introduced. Japan's first the Eye Canonset, a compact ransonmera under the Canon brand.

From that moment on the company's history of growin has company's history of growin has company's history of growin has records workwide. However, the latter half of the decade saw two world firsts that set Canon on a new path to its present day attending the quality of its still and X-ray cameras, the latter being instrumental in assisting the eradication of tuberculosis from Japan. The success of these pro-

eradication of tuberculous from typewriters.

Japan. The success of these products led the company to change tackled and eventually achieved

trict.
In 1933, a small group came to gether with the objective of producing a better 35mm camera.
After two years' hard work with little technical guidance, they produced a prototype and named it the Kwanon.

The company toner projection copies in 1978.

These achievements have continued into the 1980s with the launch of the world's smallest plain paper copiers, the Personal

> Laser Copier, in 1987. Technological innovation was also a major factor in the camera field. The F-1 camera system, first shown at Photokina in 1970, met the needs of professional photographers for the next 10 years without major revisions, and continues to be widely-used in its present form. The AE-1, unched in 1976, was the

its name to Canon Camera Inc. an alternative to xerography by in 1947.

During the 1950s, the compying system. At around this

CANON'S position today as a began to grow rapidly as high mera" from its title to become global manufacturing and marquality Canon products, incorsimply Canon inc. in keeping autofocus camera and the first keting organisation spanning porating original technologies, over 130 countries and employing more than 37,000 people. This prompted Canon to enter ploying more than 37,000 people. This prompted Canon to enter ploying more than 37,000 people. This prompted Canon to enter ploying more than 37,000 people. This prompted Canon to enter ploying more than 37,000 people. This prompted Canon to enter ploying more than 37,000 people. This prompted Canon to enter ploying more than 37,000 people. This prompted Canon to enter ploying more than 37,000 people to world markets. Copiers, today one of the com-pany's main product lines, not-ched up an impressive list of pact. most popular autofocus com-

first liquid-dry copier in 1972; the Theres SLRs made their mark world's first high-speed image with amateur and professional retention copier in 1978; and the world's first single-component cently-launched ROS autofocus SLR cameras are the world's first with an all-electronic signal transfer system between body and lens.

Through diversification Copier series, in 1982; the Canon continued to consolidate world's first digital laser copier, its position as an integrated the NP9086, in 1984; and more rebusiness machines manufactently, the world's first full the third mask aligners, laser colour plain paper electrostatic beam printers and facsimile digital laser copier, the Color transceivers.

In 1971, the company began marketing semi-conductor microchip production equipment to make the tiny integrated circuit chips used in all electronic products. The company now makes a full range of these machines, and an indication of their quality is that Texas Instru-ments Deutschland, the Ame rican-owned microchip company, presented Canon Europa's Industrial Products Division

AF35M, the original Sureshot lence Award' for outstanding re liability as a supplier. Facsimile has been a great growth market area in recent years, and Canon has been one of the market leaders since it in-troduced its first machine, the

> This year sees the launch of the world's first office facsimile machine capable of AS size for size transmission and reception, size transmission and reception, the Fax-810, and a new compact model containing the world's first contact sensor which does not require an image formation

Group 4 machines which transmit and receive images with astonishing speed, accuracy and resolution via the new ISDN telecommunications sys-ISDN telecommunications systems now coming on-line in many countries. They are already being used by NetExpress, an international packet switched digital network service provided by US-based NetExpress Inc., DHL and Canon, for high quality image transfer to countries throughout the world. tries throughout the world. Canon developed its first laser

the early models were too large and expensive for widespread use, they set the scene for future developments, especially when the complicated gas laser was replaced with a compact, simple semiconductor laser

beam printer in 1975, and while

The LBP-8 series, introduced in 1983, provided low-cost high performance by featuring the

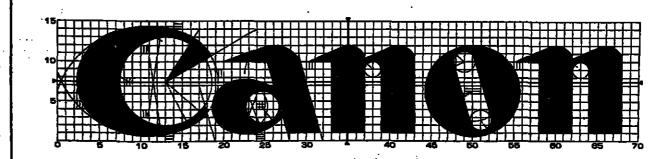
bus femograpu luf office-use machines, together some video camcorder system. Alongside all these product with screen editor add-ons for in 1987, the company remained and technological innovations, expanding office workloads. A at the forefront of new trends in Canon has expanded its global

tember last year.

Video products were introclectronic typewriters in 1961, and just three range equivalent to that from sent the company now has a full of the first companies worldwide angle to a superceptibility of the first companies worldwide angle to a superceptibility of the first companies worldwide angle to a superceptibility of the first companies worldwide angle to a superceptibility of the first companies worldwide angle to a superceptibility of the first companies worldwide angle to a superceptibility of the first companies worldwide angle to a superceptibility of the first companies worldwide angle to a superceptibility of the first companies worldwide angle to a superceptibility of the first companies were introto announce a super-compact

puter, image scanner and laser and most powerful television beam printer.

many, France and Taiwan. Scientists in the company's Research and Developm Centre are currently working on products, and the next fifty years should see even more Canon 'firsts' as it grows into a truly international corporation based on the concept of tech-



Canon's corporate logotype is evolved from our founding spirit of 50 years ago: a spirit of challenge and determination to produce the world's finest camera.

Since then that challenge has shifted to many other fields: as Canon has diversified into image and information industries, many hundreds of different kinds of products have borne that same trademark. And, as we near the 21st Century, the same mark will continue to stand as a guarantee of Canon reliability and quality, no matter how our business lines evolve to meet the future.

richment of the world.

Since the development of eading-edge technologies in the fields of image and information processing is essential for Canon, the company has Canon, the company has adopted a strategy of vertical technological integration that covers everything from basic research for materials and devices to the development of products

and components. With this all-encompassing approach, a new technology can be marketed in the form of original components or as individual pro-

In researching basic tech-nology, Canon endeavours to de-velop new capabilities by creating materials and devices in a wide range of fields. These range from materials science to biotechnology, and will be ex-panded to focus on the inner workings of organic structures

By widening its research into a variety of fields, Canon is sowing the seeds for leadership in the image and information processing industries, which actively seek new materials such as a medium for optical memory tronic devices for use with superconductivity.

Canon's research and develop ment of materials aims not only to discover new functions for materials, but also new device structures. In its research on si-licon superparticles, for with which it is possible to grow example, a new phenomenon a single crystal silicon film at a has just been discovered in the photo-reaction of silicon membrane to light, while research on organic superlattices has led to the discovery of a 'switching' phenomenon. By using a semiconductor laser as an inorganic superlattice, new emission

capabilities have been attained. Since 1986, new materials have been discovered through research on superconductivity. Practical applications of super-Practical applications of superconductivity are certain to bring
about dramatic improvements
in conventional devices using
magnetic or electric power
sources, and in image and inforthis technology, the light
sources now used for mask
aligner steppers will have to be
replaced by X-rays.

However, in order to use X-ray

temperature operation and the technology of thin-film growth control software and sensors under low temperatures are in- will be required - research that dispensable for the practical use is underway today at Canon.

CANON's Research and Development philosophy is quite simple to convert today's possibilities into tomorrow's certainties, making the impossible possible, and discovering new technologies and products for the enrichment of the small

can function as a consultant in

design projects. Research in natural language

lating copier service manuals.

Another prototype has been

Another promayed developed to automatically ge-



element for this application. Future equipment will also require devices with enormous amounts of memory.

The devices with enormous amounts of memory.

The devices with enormous amounts of memory.

desired position on an amor-phous substrate such as glass. This technology will enable large-area sensor production while providing unprecedented high-speed response. Research on a new process to manufacfor future image equipment is

Future devices will have circuits packed more densely than

mation processing speed.
Canon is progressing with lines and spaces within quartersuch research because room microns, comprehensive research on structural materials,

clude those for the high-speed materials discovered by re-input of large-scale image infor-search on ultra' technologies.

One of Canon's new processes late sequentially. In the human information for the use of comis called Selective Nucleation mind, many elements work to puter-aided design is stored. It gether simultaneously.

lens design or can assist designers directly in the design proCanon is currently recess, and has already greatly insearching one of the methods for creased work efficiency in the realisation of future com-puting technology - the use of puting technology - the use of parallel processing using 3-dimensional optical switches, mation processing technologies. With these devices, extremely is currently being used in the dehigh speed parallel processing velopment of an expert informations retrieval system, while a closer the day when computers will reason more like people.

By working to emulate the shifties of the human brain, Canon is creating manufacture.

Another prototype has been

Canon is creating man/machine interfaces that will make machines simpler than ever to use. nerate programs that will enable With this goal in mind, Canon is assembly robots to visually currently engaged in research in check the position and posture voice recognition to hear, of parts. This system is cur-image recognition to 'see', na-rently being tried at many man-tural language processing to ufacturing sites for small 'understand' words, and know-volume production of various ledge information processing to one-of-a-kind products.

In the months of the second s

Among the potential applicaof superconducting materials in the image and information processing industries.

Information processing tions for such Artificial Intellige is set to dramatically improve effects of ence technology. Canon regards ficiency and lower costs, with the cost of t cessing capability as the key to what this exciting new field can

angle of rotation must be measured very accurately and converted into electrical signals. Conventional photo-electric munications Company).

rotary encoders for this have Anticipating trends toward grown very large, heavy and ex-pensive as their precision has

Using its ultra-precise optical, electron circuit and processing technologies, Canon has developed a low cost, ultra-compact high density pulse forming en-coder that uses the diffraction and interference of semiconductor lasers. The new Canon encoder provides \$1,000 pulses per rotation, in contrast to the 1,000 to 3,000 pulses provided by conventional encoders of the

Canon has also been involved in research on laser fusion, the aim of which is to create a safe, inexpensive energy source on earth by reproducing the nuclear fusion reactions

which take place in the sun. In laser fusion experiments carried out at Osaka University, laser beams are concentrated on deuterium and trithum fuel pellets to induce nuclear fusion and obtain energy several hundred times greater than the energy inttially provided.

These laser beams are transmitted through potasshum phosphate crystals to shorten the beams' wavelength, and thus improve fuel pellet absorptions of the pellet absorption and tion of the beams. Because the fuel peliets are only approximately 0.04 in. in diameter, a large aperture aspherical lens is used to focus 18.8 in. laser beams to less than 10 microns to obtain

powerful energy irradiation.
Canon developed these optical components through joint research with the institute of Laser Engineering at Osaka University, as well as an ultra-precision machining technology which uses diamonds to cut the crystals to a surface roughness of just 0.02 microns. Canon is also designing and producing various other ultra-precision optical components for use in

laser fusion.
In the field of High Definition Television (HDTV), Canon is developing new digital technology with particular stress on digital recording systems. HDTV pro-laser beam and converts the re-duces 1,125 scan lines, more than sulting scattered light and In the world of robotics, a newly-developed Canon device twice the number of lines in to-fluorescence into electrical sig-day's conventional television nais which are then displayed

Canon's new high efficiency
TV signal encoder, the HDTVCODEC, is specially designed for
HDTV signal transmission, featuring an entirely new digital

Canon has succeeded in making the analyser very compact, lightweight and low in cost. Because image processing.
For robots to move faster and more precisely, a motor shaft's

jointly developed with KDD

network integration, the HDTV-CODEC has been designed with a switching capability between it is economical as well as aljointly developed by Canon and switching capability between lowing a rapid and highly actually actually and optical fibre communications mode and optical fibre communications mode, and it is the world's be performed for the presence of the presen first integral transceiver/ receiver system applicable with local area networks

A prototype HDTV-compatible clinics. cassette digital data recorder The

time on inch metal tape, and offers recording and playback with no image deterioration and high image quality even after re-peated copying. Its advanced image processing technology makes editing extremely simple. In addition to these products, Canon is also developing an in-tegrated HDTV "Digital Network System", which includes audio-visual, digital communication

and printing systems, and has produced an HDTV high quality,

high speed zoom lens in coope tion with NHK, the Japan Broadcasting Corporation. A built-in microcomputer helps to ensure higher picture quality, with a large number of fluorites minimising colour blur, and lens abstration is decreased by 50% in spite of an increase in speed from F2.1 to F1.4, making it the fastest lens in its category

in the world. The use of computer imaging and biotechnology in diagnosis is revolutionising medical sci-ence, and Canon is continuing to contribute to this field with new technology.

A new Canon product for fast and economical diagnosis of adult T-cell leukaemia and AIDS is the Cell Analyser, a new type of diagnostic instrument that illuminates blood cells with a fluorescence into electrical sigon a screen for diagnosis and

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cancer or deficiencies in the rectly onto a large size laser sen-

The system is based on the tiformat screen. cassette digital data recorder has also been developed, incorporating the company's original strehnology for picture coding, technology for picture coding, serior correction and high density recording.

Known as the HDTV-CDER, it is easy to intestace with other digital equipment, has an extended 120-minute recording time on 1-inch metal tame, and side of each according to its in
The system is based on the timornal screen.

Each pixel is directly recorded to find, thus eliminating image distortion, shading and picture noise which are common in convenity recording.

Each pixel is directly recorded to find, thus eliminating image distortion, shading and picture noise which are common in convenity recording.

Each pixel is directly recorded to find, thus eliminating image distortion, shading and picture noise which are common in convenity recording.

Each pixel is directly recorded with fluorescent dye through a military distortion, shading and picture noise which are common in convenity recording to its a high speed of several noise which are common in convenity recording to its an indirectly recorded with fluorescent dye through a pixel pixel is directly recorded with fluorescent dye through a pixel pixel is directly recorded with fluorescent dye through a pixel p side of each according to its in-

> cording to the biological charac-and biological changes, and the teristics of each cell. The scat-imager's digital capability pertered light passes through con-denser lenses positioned at the variou front and side, and enters detec-tors where it is converted into sixth most innovative corporaelectric signals. The data is then thon in the world, as measured processed and displayed by a by the number of patents (524) personal computer in the form registered in the United States. of a histogram and a cytogram. This dedicated approach to R  $\alpha$  These charts can then be used to D - a hallmark of Canon's of DNA, RNA and protein in cells, next 50 years to result in fresh and the status of cell activation

diagnostic instrument is the consumers and peoples through

immune system, it is expected to sitive film using LBP tech-be widely used by hospitals and nology, and the resulting images are then reproduced on a mul-

Each pixel is directly recorded

These extremely high resoluternal structure.

Finorescence is generated ac diagnosing subtle physiological communication

various imaging modalities. In 1986, Canon was ranked the termine the relative amounts growth - will continue over the and antibody response. and advanced product
Another highly advanced benefit of industry, and advanced products for the

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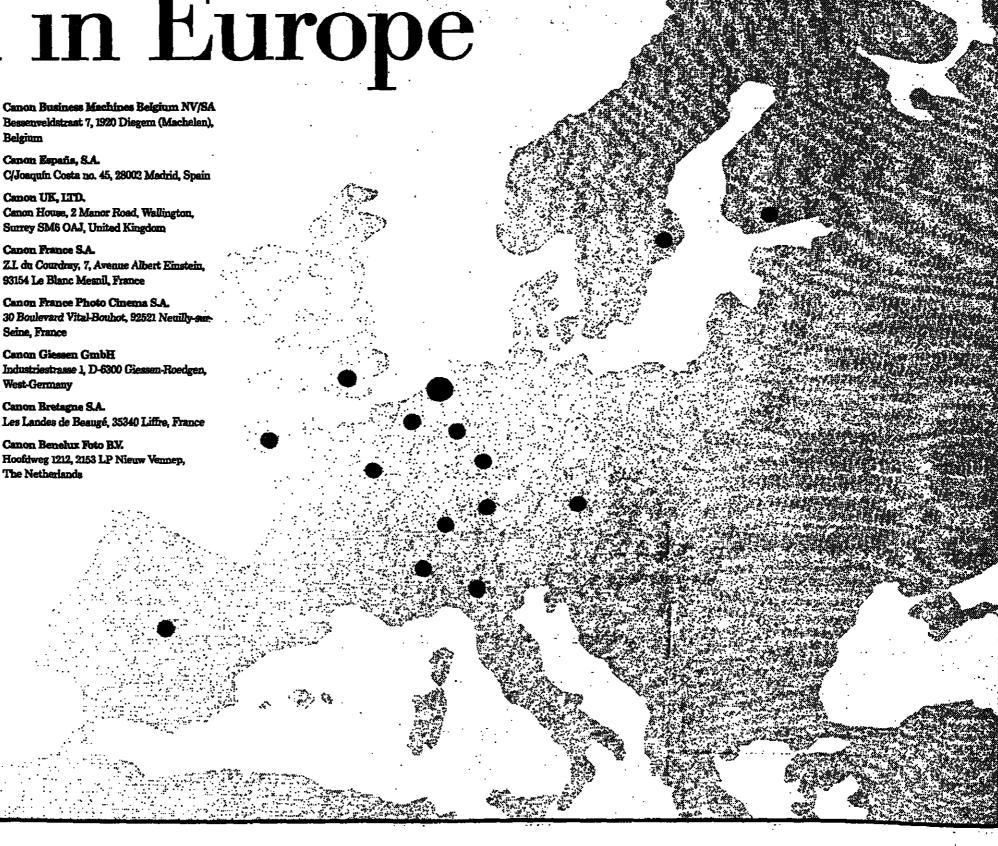
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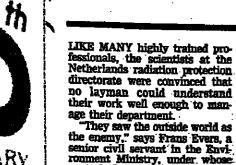
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LIKE MANY highly trained pro-fessionals, the scientists at the Netherlands radiation protection directorate were convinced that no layman could understand their work well enough to man-

the enemy," says Frans Evers, a senior civil servant in the Environment Ministry, under whose control the radiation protection He decided that the directorate

eeded a new director, someo who would manage it more pro-fessionally. He selected the civil servant whom he thought could do the job. But first he decided to bring in an outside, short-term manager to set the directorate on

The man he called on was Karel Waagenaar of W and S Interim Management Services. Waagenaar is part of a well-established network of interim managers in the Netherlands who run companies and public sector con-cerns for a short period. Dutch nterim managers are more than just temporary executives. They do occasionally fill the gap after the departure, for example, of a company's finance director. More often, however, their task is to change the organisation's strate-gic direction, strengthen its management or develop a new prod-uct or market.

Evers was quite clear what he wanted Waagemaar to do with the radiation protection directorate. "I needed somebody who, let's be honest, would kick the asses of the people" there, who would make them fairly uncertain, who would say, Tm a manager. I don't give a damn about your sci-

Staff at the directorate were shaken up – but not just by Waagenaar. Three months after he took over as their director, the Chernobyl disaster occurred.

An inter-ministerial crisis centre, including staff from the directorate, was established to co-ordinate the Datch response. "That changed Karel's task," says Marius Enthoven, who was chairman of the crisis centre. "He had to drop everything and see that his people performed as part

of a larger team."

Rventually Waagenaar was able to get back to his original job of introducing professional management to the directorate. A year after he first started there, the designated director, who had been in toroch throughout the larger than the original or toroch throughout the larger than the original or toroch throughout the larger to the larger than the original or toroch throughout the larger than the larger th been in touch throughout the period, took over and Waagenaar left.

Like many Dutch interim managers, Waspensar was previously a management consultant. While a management consultant. Witte working for the Dutch consultancy Berenschot, he suffered a familiar frustration: clients often failed to implement his recomns. T saw reports being tion at a bankrupt Irish manufacleft in drawers," he says.



# When change needs to be kick-started

Michael Skapinker on Dutch managers who specialise in short-term assignments

Berenschot, along with consul-tancies in the Netherlands and other countries, attempted to counter this problem by offering to help clients put their proposals

"We started to make a profession out of implementation," Waagenaar says. "Eventually I came to the conclusion that implementation shouldn't be combined with consultancy. Implementation should be carried

out by a different group of people allogether. "Management consultancy provides a client with alternatives. An interim manager has to take decisions even if the alternatives are not all known. Consulting requires objectivity. An interim manager requires commitment. They are totally different." In 988 he left Berenschot to found W and S Interim Management. Other W and S projects have included helping to run a large pension fund following the discovery of financial irregularities and the dismissal of a senior

acquired by Dutch investors. Gerry Boskma of BCG Interim Management, a rival firm, esti-mates that there now are about 200 interim managers in the Netherlands, working either for themselves or for one of the established firms on a full-time or freelance basis.

belong to the Council for Interim Management, a professional body progress of a project.

The shadow manager helps the manager for two Boskma says he expects that interim manager to maintain finishes the jobinary of the freelance interim objectivity. He or she also if a client the interior objectivity. managers will eventually attach themselves to one of the estabincludes the executive search an interim manager? Boskma, company Egon Zehnder Interna-whose firm has 45 full-time tional, which has its headquar interim managers on its books,

and the management consultants P-E Inducon run the Temporary manager, and restarting producturing company which had been

however, that interim management is more highly developed in the Netherlands than in any other European country.
They point, for example, to the

Dutch practice of appointing a "shadow manager" to assist each interim manager. The shadow manager is a colleague from the same interim management firm About 80 of the 200, he says, same interim management firm work for one of the six firms that who meets the interim manager once a week or so to discuss the

ensures that there is someone to take over the project should the lished firms. His own firm is part interim manager have to drop of the Executive Interim Manage out for any reason.
ment Company, which also What sort of person becomes

Other countries have interim have held senior management managers too. In the UK, the Confederation of British Industry and the management consultations in large companies. They have to have the broadness, the balance, the posture to across two situations where cli

Maarten van Dijk, an interim manager with W and S, says: "You have to prove yourself quickly. In the first week you need some kind of success, some

thing new." Van Dijk spent 14 months running the faculty of medicine at the University of Amsterdam, an interim management job he com-pleted at the end of last year. As a result of cuts in funding, the faculty had to lay off 60 people — about 10 per cent of its staff. It was a traumatic decision and

the university decided to get an the university decided to get an external manager to carry it out. "In 400 years, no one had ever been fired from the University of Amsterdam," van Dijk says. "Of course they were afraid of me. On the first day it was panic. I didn't know it then because I didn't know it then because I didn't know the people well enough. On the second day I colled them all together and said

enough. On the second day I called them all together and said Tm your boss.' There was total allence. I told them I need you to help me. We are guing to solve this problem together."

Van Dijk adds that "firing people is not exactly a pleasant activity. Once you have to do it, it should be done with sensitivity I had a meeting with each of it should be done with sensitivity. I had a meeting with each of them individually to talk to them about it. In these cases, 90 per cent of the people can usually find another job. Ten per cent of them have more difficulty and you devote your time to them."

Apart from the unpleasantness of sometimes having to make employees redundant, interim managers face other difficulties. One is that the client company might become too dependent on the interior personner.

We are aware of this proble all the time." W and S's Waage-naar says. "We talk about it to the client. We try to find the right man to take over from us if the client doesn't have anyone in

W and S and BCG go to some lengths to ensure that clients do not attempt to recruit interim managers to their permanen managerial staff. Their contracts with their clients stipulate that the client cannot hire the interio manager for two years after he

If a client then takes on a interim manager on a permanent basis, BCG will also charge the mpany a search fee. What do interim managers do

if they discover corruption or ancial mismanagement on the part of a client company? Both BCG and W and S say their client contracts enable them to pull out of a project if they come across any illegality or irregularity. P.E Inducon run the Temporary radiate assurance. They don't ents were transferring funds ille-Executive Service, with a register have time to learn on the job. gally. "In one case we pulled out of 1,300 interim managers.

They have to have a very good in the other, we managed to con-Waagenaar and Bookma argue, idea of what they're up to," he rect the situation," he says. Logistics

# Getting their act together

Michael Skapinker on a Europe-wide survey of company performance

THERE IS NOT much point in having a modern and efficient manufacturing plant if your dis-tribution staff cannot get the fin-ished products to the customer on time.

Nor will your company's reputation be enhanced if your customer service department makes promises that your production people cannot fulfil

It might seem obvious that companies should try to link the various parts of their logistics chain - the movement of goods from sourcing through manufac-turing to final delivery.

Yet a survey of 500 European companies by US consultants
A.T. Kearney found that less than a quarter had an integrated

system to handle their logistics.

The survey found that many companies had improved one or other individual parts of the logistics chain. Most, for example, had put their customers' activities are dealt witing from one another can be disappointing.

The report point example, that many

The consultancy identified four different approaches to logistics. The first approach is characterised by companies which think no further ahead than today. Any agement is designed purely to head off an immediate crisis.

The report puts as many as 57 per cent of the companies surveyed into this category.

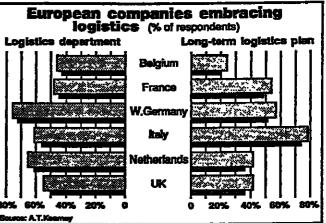
The second group of companie

has a slightly longer planning horizon – they think in terms of "this week", rather than "today". Their prime mote in seeking any improvement is to cut costs.

logistics activities is to enhance productivity.

The fourth group, the most advanced, is made up of compa-nies which plan for the long term. All aspects of their logistics activities, from purchasing to final delivery, are integrated. They also have extensive links with both their suppliers and is organisational. The report suppliers and is organisational. The report suppliers and is organisational. to logistics is not aimed merely at cutting costs, but at gaining

Twenty-three per cent of the companies surveyed fall into the third and fourth groups.



chasing, inventory management, transportation and other logistics activities are dealt with in isola- the other hand, fewer than half

The report points out, for example, that many companies which introduced instances. not achieve the cost reductions they had anticipated. "We believe the key reason for

ing the (system).
"For example, several Euro-

pean companies implemented JIT The second thing companies systems in the early 1980s in should do, the report argues, is response to pressure to cut inventories. When inventory financing plan. In Italy, 79 per cent of comcosts were at 12 per cent, the panies surveyed had a long-term inventory savings associated logistics plan. In Belgium, howevershadow the additional materials flow transportation and rials flow, transportation and cent.

Twenty per cent of the companies were in this category.

The third group consists of companies which think a month or even a year ahead and whose den costs associated with JIT den costs associated with JIT began to surface. The real cost of transporting and handling small nents became known. In several situations, the cost reduction expected from JTT turned to a cost increase when total costs

were considered logistics, the report says, requires action on three fronts. The first argues that companies should establish a department responsible for logistics. Alternatively, they could set up an inter-departmental task force or committee. from A.T. Kee In countries like West Ger-House, 130 Wilto many and The Netherlands, a SWIV ILQ. Free.

The report argues that if pur-hasing, inventory management, already set up a logistics departtion from one another, the results the companies surveyed had done

which introduced just-in-time systems to cut inventories did not achieve the cost reductions are another layer of company bureaucracy? Not necessarily, says Raymond Jewitt, an A.T. action that these organisations the gap between expectations and Kearney vice president. The take to improve their purchasing, results is an incomplete under-logistics manager might be sometransportation or inventory management is designed purely to ing the (system). additional responsibility.

The second thing companies

panies surveyed said they had a long-term plan, but the report says that many of these do not really integrate all the logistics activities

The third element of successful logistics planning is to ensure that managers have sufficient

A few years ago the neces technology was difficult and expensive to assemble. Today, however, inexpensive computers and devices such as bar code scanners have made it far easier for companies to put an information system together.

Logistics Productiony: the Com-petitive Edge in Europe. Available from A.T. Kearney, Stockley House, 130 Wilton Road, London

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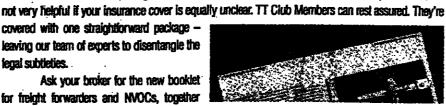
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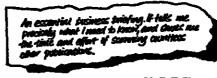
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WHILE always rejuctant to give		<u></u>								-	
hostages to fortune, the Jobs	UNITED	KINGDO	M ADVE					ina bhi	REY S	PECIALI	SIB
column has to say that prospects				(12	months	to Man	ch 31)			٠.	
have never looked brighter for		106	77-88	100	8-87	198	5- <b>86</b>	199	4-85	100	3 84
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ISL International recruitment	Marketing	6,373	+ 4.1	6,124	~ 5.0	8,447	~ 0.8	8,502	- 3.2		+14.2
onsultancy's counts of higher-	Production	6,242	+29.9	4,807	~23.8	6,311	- 12.1	7,178	+ 15.5	6,217	+36.3
nked lobs advertised in leading	Accounting	7,795	+ 15.8	6,732	+ 5.2	6,401	+ 2.2	6,261	+11:6		+20.4
nited Kingdom journals.	Computing	3,710	+ 0.7	3,686	~ 7.8	3,998	~ 6.7	4,287	+34.1	3,196	+34.6
As can be seen, the last 12	General mgt.	1,659	+ 19.8	1,385	+ 6.0	1,307	+ 4.0	1,257	- 5.1.	1,325	+ 3,4
onths brought an increase in	Personnel	1,117	+11.1	1,005	+ 15.5	870	19.8	1,085	+ 13.4	957	+40.5
dvertised demand over the	Others	6,936	+20.9	5,735	~ 6.9	6,162	- 0.8	6,214	+39.3	4,460	+53.8
orresponding period of 1986-87, ot just in total but in every one	Total	37,342	+13.7	32,852	12.0	37,319	- 7.4	40,311	+13.2	36,623	+27.3
the more specific fields of work ted. They are research, design	April-June	8,597	+ 5.2	8,172	~21.5	10,412	+ 0.8	10,034	+20.3	8,340	+49.2
nd development: marketing and	July-Sept	8,274	4 8.0	7,664	~ 19.4	9,507	~ 2.6	9,760	+20.7	8,086	+18.5
les; production; finance and	OctDec.	9,248	+ 17.8	7,850	~ 8.7	8,596	~ 3.3	8,893	+ 3.9	8,560	±32.3
counting; computing; general	Jan-March	11,223	+22.4	9,165	+ 4.1	8,894	~24.3 .	11,624	+ 9.3	10,637	¥16.9
management; personnel work; and "others" such as purchasing,	the count o	f advert	isements	*But	we've g	ot to be o	ptimistic	ក្សា <sub>ខាន</sub>	specia	lists. Ti	 ie 2,1

company legal work, and internal consultancy of various kinds. every three months since the on the results for the start of posts advertised for them over beginning of 1959. Indeed, for the 1988. The market's definitely in a the last three months was the first time in the 15 years that the growth phase.

Similar encouragement is given by the consultancy's counts of posts advertised by certain industries. In the latest quarter the high-technology sector's score was 959 compared with 727 for the first three months of 1987, and the tally for energy-related companies was 598 compared with 388.

In sum, therefore, the UK market for executive-types in general looks set to be bountiful for some time to come. But since tradition could hardly allow me to end a conversation with MSL's Classon. Clasgow representatives without hearing some note of gloom. I asked the chief counter when the present growth phase was likely

"Td say, if you want a new job," he replied, "you'd do best to get one before 1990 arrives."

consultancy of various kinds.

The fact that there were rises in all eight categories strikes me total for the 12 months to March 31 was higher in 1984.85, in that period two categories – general management and marketing – 1987." the chief counter showed falls from the previous 12 months. So, although in the case of computing the recent increase was only marginal, I feel there must be a fair deal of steam yet.

The same belief is shared by March and November. We still had the same to beginning of 1983. Indeed, for the 1988. The market's definitely in a growth phase.

The first time in the 15 years that the post of a year is salmost always the best one, so it's unlikely that the next three duritory periods will produce as many offers as January-March. Nevertheless, the upturn is no flash in the pan. Although the spite of Black Monday, the spite of Black Monday is particularly began its counts 29 was ago.

What may be a better onen for the UK economy is that the 2,081 of the UK economy is that the Euk tunture of a year is proven ago.

Now to New Zealand the tours of the UK economy is th

development staff, after 2½ years of dwindling, continued the to the treasurer for controlling to the liabilities side of the branch's money market operations. So candidates need a thorough knowledge of cash markets, securities, futures, short-term instruments, swaps and the like. Salary indicator £50,000-plus.

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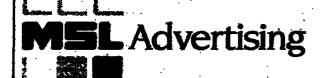
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Applications, which will be treated in the strictest confidence, should be accompanied by a detailed résumé, in English, and should be sent to: Katherine Louthood, Recruitment Officer, International Finance Corporation,

IFC International Finance Corporation

# Japanese video technique takes the inside line

Roy Garner reports on an advanced internal inspection system for industrial and medical applications

exciting future for the video endoscope, an internal inspection device which utilises a CCD charged coupled device) scanner. Japanese company Olympus, company olympus, which has long held a dominant to interrupt his examination to attach a bulky camera to the market position, and recorded and even then only DOCTORS in Japan foresee an tion and treatment of internal

Y18m (£7,600) price of a fibres- video endoscope. cope, researchers suggest its ease of use, greatly improved imaging capabilities and the promise of new medical techniques centred on digital image processing will soon lead to its wide acceptance. for internal insertion. One of Japan's leading researchers in endoscope (Instrument for viewing the internal

parts of the body) techniques is Dr Masatoshi Esaki, of Inage Hos-pital in Chiba, near Tokyo. He says that "within five years sales will multiply rapidly as improved

use throughout Japan."
It is 30 years since the US company American Cistoscope Makers Inc (ACMI) introduced the first fibrescope — a flexible tube in use in Japan.

Yuji Ikuno, manager of the optical fibres within its outer wall that transmitted images product development departthrough total internal reflection.

processing equipment grafted market position, and recorded onto the basic design format of the conventional fibrescope.

Industrial applications of the lary equipment of Y71.4bn in 1987. But for Olympus, and comtechnology are also expected to petitors like Fujino (a subsidiary increase. Although a complete of Fuji film), Pentax, Toshiba and video endoscopy system is currently more than double the closely tied to the fortunes of the

The conventional endoscope lengths; the thicker one contains electrical connections and the thinner carries the optical fibres

The two are joined at a control cluster featuring tube angulation levers, viewing eye-pieces and an external camera attachment. In 1983, the US company Welch

try replacing the optical fibers with a CCD and a camera with a equipment comes onto the mar-ket, and within ten years video years, Japanese companies have endoscopes will be in widespread devoted considerable research and development funds towards developing their own commercially viable "video endoscope" systems, and at least 200 are now

through total internal reflection. ment, says his company asked its Since then the device has revoludoctor clients to experiment with tionised internal medicine, bring at least 20 clay models of differ-ing sharp reductions in the use of ently configured controls, in an surgery and X-rays, and proving effort to achieve the maximum an invaluable aid in the early ease of operation, and full use of detection of cancer and the locathe video imaging capabilities.

In the resulting system, just viewing tube, and even then only acquires a small selection of still acquires a small selection of still pictures of average quality, with the video endoscope he can consult a high-resolution image continuously displayed on a TV monitor, and at the push of a button can "freeze frame" critical inserts and instantly record this

images, and instantly record this data either on a video disc or as

NOTE THE AMAZINGLY CLEAR IMAGES OF THE INTERNAL ORGANS



images, and instantly record this data either on a video disc or as hard copy.

These immovations give the doctor more freedom to concentrate on the examination of the patient, and allow for shorter operation times.

Dr Eakli outlines three essential advantages of the video endoscope. These are:

Clarity of image. He notes that it is benign or malignant. And in the small intestines we can now structures, and see more easily if it is benign or malignant. And in the small intestines we can now with fibre optic endoscopes, notas thard to manipulate and study with ordinary endoscopes."

Computerised information in the small intestines we can now study the tiny villi, which are hard to manipulate and study with ordinary endoscopes."

Computerised information in diagnostic techniques.

The CCD scope does have some minor disadvantages compared with fibre optic endoscopes, notas thard to manipulate and study with ordinary endoscopes."

Computerised information in delicate internal operations.

The CCD scope does have some minor disadvantages compared with fibre optic endoscopes, notas thard to manipulate and study with ordinary endoscopes."

Computerised information storage. This is perticularly useful in diagnostic and teaching work, where images can be examined at leisure by people in different internal operations.

But, Ynji Ikuno of Olympus says such details are of less importance in the industrial sector. In the ordinary endoscopes.

The comparison purposes.

But, Ynji Ikuno of Olympus says for example, the efficacy in the minoral condition of radiations of the efficacy of the colonoscope was greatly enhanced at the time of President Reagan's battle with colon cancers to estimate the size of a minis.

The medical field safety is not such a problem in the insustrial field, says Ikuno. He explains that potential applications and buildings are now in the use of infra-red or ultra-violet and infra-red light endoscopes.

The comparison

# **Edited by Geoffrey Charlish**

### Toshiba drives up floppy disk capacity

IN JAPAN, Toshiba has started marketing a 3.5-inch floppy disk drive with a storage capacity of four megabytes (4n characters). Costing the equivalent of \$320, the drive will be able to read and write on exist-

ing one inegabyte floopy disks.
The large capacity (most
3.5-inch floopies are of either
one or two megabyte capacity)
has been achieved by using the relatively new technique of "vertical" recording. Magne-tised elements of the recording surface are stacked side by side like blades of grass rather than end to end like a line of

By also using a barium fer-

By also using a barium ferrite recording medium, much higher bit (there are eight bits to one byte) density of recording has been actieved.

To allow the new PD-210 drive to cope with both one and four megabyte disks, Toshiba has developed special chips to control the read, write and erase functions, and has designed a dual density recording head.

### Norwegians opt for Avon rig protection

THE FIRST full-scale cladding of a North Sea oil platform will feature a marine coating from Avon Rubber of the UK. The material prevents dangerous growth from building up on undersea structures and will be used on a rig ordered by Statoil, the Norwegian state

The rig will be built by Aker Verdal, and fellow Norwegian company Viking Mjondalen will clad the platform members to cover an area 40 metres below the water and five

The coating material, called Avenciad, is a combination of Average, is a communication of neoprene sheeting and chemi-cally hot-bonded copper gran-ules. Marine flora and fauma cannot live in the presence of copper and Averaged will, it is claimed, offer protection for more than 20 years (much granter than the operational greater than the operational life of a rig).

The action of the copper granules, however, is strictly confined to the treated surface and has no harmful effect on

can grow to nine or 10 inches with marine encrustation. Designers have to oversize the pipe wails to counter the increased load of the growths. With Avonciad, lighter pipes can be used and building costs are he reduced since smaller. can be reduced since smaller crane loads and less labour intensive methods can be applied during the platform's

### **Profit making becomes** a highly-refined art

construction.

USING an electronic simula-USING an electronic simula-tor, oil refineries can be "fine-tuned" to produce profit improvements of at least 10 cents a barrel, claims UK com-pany KBC Process Technology. Such an improvement would be worth \$3m a year in a typi-cal refinery, says the Wey-bridge, Surrey, company.

KBC's simulator, called makes of mini or maintrame computer and has a basic price of 280,000. It enables refinery managers to plan, monitor and optimise their entire opera-

Alternatively, particular elements of the plant can be simulated to allow engineers with specific responsibilities to obtain the best results.

Once a model of the plant once a model of the man-has been built up in the com-puter, the user is able to carry out "what if?" exercises under a wide range of conditions.

### Soft option keeps things shipshape

TRANSTEMA, a Swedish company which specialises in com-pater systems for the shipping industry, has introduced soft-ware aimed primarily at inter-national shipping agents.

Called Tradeware, it will run on IBM System 36 mini-comun 155 system 38 mini-computers or any 185 personal computer. It is designed to cover accounting, cargo booking, freight documentation and the tracking of equipment such as containers.

The four software modules can work independently, or in conjunction with one another. Communications with shippers, stevedores, principals, agents and other parties is pro-vided by telex or data trans-

BT's night-watchman hunts down faults

BRITISH TELECOM Enterprices is offering a system called HuntsMan, which agers to test the voice networks that interconnect multi-ple sites in larger

HuntsMan tests automatically the links between private branch exchanges at various pranch exchanges at various sites. By exposing faults, or inclpient faults, it is possible to maximise the availability, quality and cost-effectiveness of large, distributed, private voice networks.

The personal computer based system will make 788 test calls overnight. It checks for dialling, busy, engaged, and ringing tone problems. In addition it will pinpoint trousagment it will proport to the bles like number unobtainable, no answer, premature disconnection and noise on the line. It then produces both onscreen and printed reports.

### Prices under pressure in year of the Amstrad

THE UK sales volume of microcomputers increased by 32 per cent last year. But because of downward pressure on prices the value of turnover rose by

the value of turnover rose by only four per cent.
Other figures emerging from a £695 roview published by Romter, the UK market research group, show that in value terms IBM had the largest market share at 31.8 per cent. Compaq had 8.4 per cent. Olivetti 7.9 per cent and Amstrad 7.5 per cent.
In unit terms, however.

Privat

vestme

Amstrad 7.5 per cent.

In unit terms, however,
Amstrad sold the most comguters and captured 26 per
cent of the market. IRM followed closely on 24.7 per cent,
and the next largest market
share went to Olivetti with 7.7

"It was Amstrad's year," says Romtee's Annual Market Review. The company's unit sales rose from 25,000 to over 100,000. Most of this increase was accounted for by the Amstrad model 1512 but in the closing months of 1987 the new model 1640 was predomi-nant, with 80 per cent of the

# Bubble memories find a small but profitable niche

BY CLIVE COOKSON

ONE OF the computer industry's greatest technological disappointments, the "bubble memory", has at last found a profitable niche market – though it is only a tiny fraction of the market envisaged by chip manufacturers 10 years ago.

During the 1970s several US companies spent millions of dolars developing bubble memories a means of storing large amounts of information. They hoped these would combine the storage capacity of magnetic disks with the speed of access of division as an independent combine the storage capacity of magnetic disks with the speed of access of division as an independent combine the storage capacity of magnetic disks with the speed of access of division as an independent combine the storage capacity of magnetic disks with the speed of access of division as an independent combine the storage capacity of magnetic disks with the speed of access of division as an independent combine the storage capacity of magnetic disks with the speed of access of division as an independent combine the storage capacity of magnetic disks with the speed of access of division as an independent combine the storage capacity of magnetic disks with the speed of access of division as an independent combine the size of company digits of computer investors.

This week MemTech said that they is a solid that business and one that continues of private investors.

This week MemTech said that they company like ours this is a solid only which will withstand vibrations company like ours this is a solid only which will withstand vibrations company like ours this is a solid only which will withstand vibrations company like ours this is a solid that business and one that continues to grow.

This week MemTech said that they is a group of private investors.

This week MemTech said that they is a solid that they are a five vears ago. The company is a source of magnetic for a mass market.

The advantages of bubble of provide that they are a five vears ago. The company has the they are a five vears ago. The company is a source of magn



April 27, 1988

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This is a carefully planned long term project which has full group support and substantial financial backing. It now requires an experienced investment market specialist to head it up. The role will initially involve locating offices, building a team, developing systems and marketing the product.

Corporate culture is to lay strong foundations to any new venture and to allow senior executives full scope for their ideas.

The successful candidate is likely therefore to be a highly intelligent internationally-minded business manager with in-depth investment market experience, probably gained from a substantial institutional investment background. Well developed marketing skills combined with sound systems, administration and accounting knowledge are also very important. Our client is looking for a logical, disciplined and committed business manager.

The remuneration and benefits package will be very flexible and will be commensurate with the seniority of this appointment. The location for the business has yet to be decided and the successful applicant will participate in that decision.

Please write in confidence, enclosing a full cv including current remuneration and quoting reference F2909, to Paul Carvosso.

# **KPMG** Peat Marwick McLintock

**Executive Selection and Search** 9 Creed Lane, London, EC4V 5BR

# **Private Client Investment Manager**

**c £35,000 + Bonus + Car** 

This is an exciting career opportunity for an experienced investment Manager to move to a position where drive and initiative will be directly rewarded.

We are the fast expanding financial planning subsidiary of Chartered Accountants, Robson Rhodes. In this newly created role you will be responsible for the management of discretionary private client investments and the continued development of investment services for existing and new clients. The emphasis, at least initially, will be on collective investments. Reporting directly to the Managing Director, you will work alongside a highly regarded life and pensions team with an established reputation for commercial acumen and technical ability.

Candidates should be aged under 40 and have comprehensive experience of managing private client investments, especially unit trusts.

We offer a competitive remuneration package including profit-related banus and company car. Please write with concise CV to-

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Philippo James (Miss), Recruitment Manager, Robson Rhades, 186 City Road, Landon ECTV 2NU.

• FACULTY OF BUSINESS & LAW KINGSTON BUSINESS SCHOOL

MANAGEMENT & BUSINESS DEVELOPMENT ADVISER

The appointed will be at Lecturer II/Senior Lecturer level. Up to £18,294 pa inc.

The Management & Business Development Unit seeks to extend their team of Advisers/Consultants, to provide management development in an increasing range of client organisations. The work involves helping senior managers to lead the growth of their businesses, by designing and running project-centred management development programmes within actual business situations.

The person appointed will be a graduate or hold equivalent professional qualifications, must have experience in a management role and a proven ability of establishing objectives and achieving results through other people. You must be aware of the significance of strategic and people issues in an organisation and possess the skills needed to work in these areas with senior management. The ability to establish credibility with senior management at least one of the following areas is essential; general management, finance, marketing, until administration, operations management. Information technology public administration, operations management, information technology

We would be interested to discuss a secondment from industry to one of these appointments for a limited term.

For turther details and an application form, please contact the Personnel Department, Kingston Polytechnic, Penritya Road, Kingston upon Thames, Surrey, KT1 2EE, telephone 01-549-1385 Extension 2153. quoting reference JS 334.

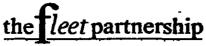
CLOSING DATE FOR THE RETURN OF APPLICATIONS: 15TH MAY 1988 BUT APPLICANTS WILL BE CONSIDERED UP TO SHORTLISTING

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# Private and Institutional Clients

The Fleet Partnership, as part of its expanding executive selection programme, would like to hear from individuals or teams possessing their own established client base, who are currently considering a new position with a noted Member

Contact, in total confidence, Elizabeth Sullivan.



Financial Recruitment Consultants, 37/41 Bedford Row, London WC1R 4JHL 01-831 1101 (24 hours)

# Hanson PLC **UK Business Development**

Hanson PLC will appoint an able executive seeking a challenging opportunity, to join its small head office team to work principally in the field of new acquisitions.

The successful applicant will probably be a graduate in their thirties with a proven track record in investment research for a leading broker or asset management group. Experience of unlisted as well as listed companies an advantage. Self motivation and a commercial outlook essential.

Salary dependent on experience. Other benefits. Please send personal career details, including full particulars of relevant experience, together with a photograph to:

Martin Taylor Vice-Chairman Hanson PLC 1 Grosvenor Place London SW1X 7JH

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Our client, a major City Merchant Bank, secks 23-33 year olds to set up a new Settlements Department. Candidates will be fully experienced in any of the following:

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# Quantitative Analyst

£18,000-£22,000

CL-Alexanders Laing & Cruickshank Holdings (CL-ALCH), now wholly-owned by the Credit Lyonnais Group is one of the leading international securities houses. Our Quantitative Analysis team services all divisions of CL-ALCH in the field of mathematical analysis and computer modelling. We support a wide spectrum of capital market activities including futures, options and fixed interest securities. We now seek to strengthen this team. You will be a good communicator, in your mid 20's with experience in financial modelling or capital markets. You should:

- Have an MBA in finance;
- Be a sound mathematician;

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Please write with full c.v. to: Liz Knott, CL-Alexanders Laing & Cruickshank Holdings Limited, Bucklersbury House, 11 Walbrook, London EC4N 8EL. Telephone 01-236 0667.

CL-Alexanders Laing & Cruickshank Holdings Ltd





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# **NEW STOCKBROKING COMPANY** REQUIRES PRIVATE CLIENT BUSINESS EXECUTIVES OR DIRECTORS

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The new Company is to be privately capitalised and equity participation will be available. These positions are therefore likely to be of interest to individuals who feel that their own clients requirements are not being met from the facilities being made available through

The Company will commence trading in August/September 1988 following successful Membership Applications to The Stock Exchange and The Securities Association. Comprehensive and efficient settlement facilities are now being implemented. Please apply, in Strictest Confidence to Box No. A0850, Financial Times, 10 Cannon Street, ECAP 4BY.

Swiss Bank specialising in ship finance is looking for an EXECUTIVE

Who has an experience of ten to fifteen years in ship finance and preferably in Maritime Law, capable of a very conservative essment of ship loan applications. Compensation and benefits commensurate with the position. If such a challenging activity appeals to you, please send your

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Contact Jocelyn Bolton

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Our client is one of the UK's most highly regarded merchant banks. A decision to more actively market its Capital Markets and treasury-based products to its UK corporate clients has created this opening. For the top-flight young banker working in relationship management, this role offers the chance to develop as a capital markets specialist within the context of UK marketing. Career prospects are excellent.

**Contact Felicity Hother** 

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c£25,000

Our client is a leading UK Investment bank, with an impressive reputation for the quality of its Property business. The Property team is responsible for developing strategies and financial packages including Investment and equity based products. Working closely with other professionals you will be responsible for maintaining and developing the Property portfolio. You should be able to demonstrate proven marketing and communication skills backed up by a credit training preferably in a property based environment. Contact Anita Harris

For further information please telephone 01-606 1706 or send a Curticulum Vitae to the address below.

Anderson, Squires Ltd., Financial Recruitment Specialists 127 Cheapside, London EC2V 6BU

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# **Pension Funds Investment**

# 'A presence in the marketplace'

management group has recently combined its UK and Global Pensions businesses thus consolidating their presence in the worldwide pensions marketplace. Similarly, the pensions professional they now seek will have already established a strong personal presence in this market, therefore capable of undertaking this important pensions marketing role.

Much emphasis is placed on an ability to deal at senior levels. The orchestration and attendance of key client investment reporting meetings on a regular basis will involve close liaison with the investment Directors. Deputising for the M.D. In all client support matters, specifically providing services to major UK pension fund clients will involve client and potential client contact with the most senior UK pension fund managements. In addition, you will maintain relationships with key

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consultants/consulting actuaries who advise these 'major name' clients.

Aged 35 to 45, your 'presence in the marketplace' will come from a strong background in either investment, management or consultancy work in pension funds, following a degree or relevant professional qualification. You will also have plenty of drive, a high degree of professionalism and top communication skills.

Naturally, this senior appointment attracts an appropriate level of salary plus the range of executive benefits expected from an internationally successful financial group.

In the first instance, please write with full c.v. This will be forwarded direct to our client. List separately any companies to which your application should not be sent. Chris Plowman, ref. CP/B/17.

MSL Advertising, 32 Aybrook Street,

Analysts

As a leading Securities House, our client

now forms an integral element within one of the U.K.'s leading Merchant banking

groups. Fleet Partnership has been retained

to assist in the selection of outstanding

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undoubtedly have already built a sound

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Financial Recruitment Consultants, 37/41 Bedford Row,

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\* Banking and Financials

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### & NatWest International Trust Corporation Group

### **VACANCIES FOR TRUST OFFICERS & ASSISTANT TRUST OFFICERS** IN THE CAYMAN ISLANDS

The NatWest International Trust Corporation Group, one of the largest Groups of Companies offering international Financial Services, wishes to engage Trust Officers and Assistant Trust Officers

Applicants for the Trust Officer positions should have at least a minimum of five years experience in their field, and possess the institute of Bankers Trustee Diploma, a Law Degree or the equivalent professional qualification, while applicants for the Assistant Trust Officer positions should have a minimum of three years experience and have at least Part I of the Trustee Diploma.

The posts to be filled offer an attractive tax-free compensation package which includes allowances and annual return airfares for the officer and his dependants, a non-contributory Pension Plan, and medical and life insurance coverage.

Interested applicants should forward a full résumé of education, qualifications and experience to: R. John Whillis, Vice President,

NatWest International Trust Group, 4 Finch Road, Douglas, isle of Man

who will arrange preliminary interviews with selected candidates in London. All applications will be treated in the strictest confidence.

The expectation is that this role will lead increasingly to direct marketing of research ideas to clients, and therefore, verbal communication skills will be critical to

This position offers a challenging opportunity for the right candidate in an environment where Research is

Please apply in writing, supplying a full curriculum vitae to: Fiona Cartwright, Personnel Department, Kleinwort Benson Group, 20 Fenchurch Street, London EC3P 3DB.

# An excellent situation has just been created in London.

U.K. income tax rates are now lower than most other European countries. On the strength of this, Merrill Lynch are aiming to expand the services we provide to Private Clients.

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Do you have at least 2 years experience in banking, securities or insurance? Are you organised, assertive, self-motivated, ethical, goal orientated and able to take direction?

Would you like to work for one of the largest and most creative global firms in the industry, which provides training and a wide range of relevant products and services with an involved, strong, non-competing and motivating management?

If so, contact Walter Elliott between 9am and 7pm on the 27th, 28th and 29th April or 3rd and 4th May on 01-581.7451.



markets products to UK and European companies and

will have had extensive credit training and experience.

The salary is negotiable around £40,000, depending on

qualifications and experience, and an attractive benefits

Language skills would be particularly valuable.

# **Credit and Marketing**

A unique opportunity for an experienced bank lending officer

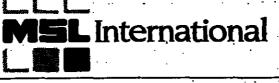
c.£40,000 plus benefits

Our client is a well-known international organisation years' experience of marketing banking and capital providing specialised credit services to the corporate and investment communities.

As a result of rapid growth in the London office a person is now sought to contribute to the further development of the company's business with UK and European companies and investment institutions. This will require the development and management of relationships with the senior management of major UK and European

The person appointed is likely to have had at least five

package, including a car and non-contributory pension. If you would like to consider this position please write in confidence - enclosing a CV to Douglas Austin.



SUBJECT: INTERNATIONAL MERGERS AND ACQUISITIONS Please note that a number of capable individuals, with 1-5 years' experi-ence are sought by the international merchant banking ann of a plobal

MEMORANDUM

from c.£30-60,000 plus bank benefitz.

Numerally, the environment is stimulating, the work challenging and the

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THAMES **TELEVISION** 

# THE CITY PROGRAMME RESEARCHER/JOURNALIST

We require a Researcher/Journalist to join the team that launched our successful financial weekly programme last Autumn. A background in financial journalism is essential; familiarity with sion production techniques will be advantageous.

The position is a contract post within the Current Affairs Department at our Euston studio complex.

For an application form, to be returned by no later than the closing date, Friday 6 May 1988, please contact the Personnel Department on: 01-387 9494.

Themes is an equal opportunities employer and welcomes all applications regardless of sex, ethnic origin and marital status.

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The praident is the CEO of the institution, reporting to the board of trustees. The School is seeking an individual, who has clearly demonstrated effective leadership ability in academe, business, and/or government. Candidates will be considered on their overall strength and the most appropriate balance of the following qualifications:

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The School, known widely as "Thinoderbird," grants Master of international Management degrees to more than 900 graduate stach year and is ranked the nation's humber one graduale school of international business.

Praiden's Office (to Founders Hall, Thinoderbird Capacity, Dro. V.A.

President's Office c/o Founders Hall, Thunderbird Campus, Dep. V-4, 15249 N. 59th Avenue, Glendale, Arizona 25306

business plans and the management of grown with a near for marketing and development. Financial management skills and direct experience of the visual arts are desirable but not essential attributes. The successful candidate could be a paid secondment from the private sector.

# FINANCIAL CONSULTANT

We are seeking a FIMBRA member to be based in the Hampshire area to join us and be responsible for the development of our services in conjunction with a major UK stockbroker. The successful applicant will be over age 30 and have a minimum of 5 years experience in the financial services industry.

The post, which is salaried, includes a bonus structure, car, BUPA and a share option acheme.

Please write in the first instance with full cy to: D Scott, Menaging Director, Weybourne Financial Service Weybourne House, 214 London Street, Chertsey, Surrey KT16 8AA

### CORPORATE TREASURY DEALER

£50,000 This rapidly expanding Treasury House requires a very high achieving young (late 20s) Client Orientated FX dealer. Excellent communication skills coupled with the communication skills coupled with thorough dealing experience including SWAPs, FRAs essen-

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BANKING

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# **ACQUISITION ANALYST**

# £30,000 and bonus and car and pension

Acquisitions Analyst required for European holding company. Must have at least three years experience covering positions in UK, US and Continental Europe. Degree in business administration required. Excellent academic and work performance and at least one European language. Mastery of LOTUS or other computer based analysis essential. Ability to interact effectively with bankers, lawyers and accountants,

Applications with full CV to Susan Butler, PER, Rex House, 4-12 Regent Street, London SW1Y 4PP

SENIOR MARKETING OFFICER Major Merchant Banking Group currently seeks a Senior Marketing Officer to provide a marketing role for securitised debt, exposure management and investment instructions to financial institutions. Educated to a high standard with a thorough knowledge of corporate financy you will have a "minimum of five years' experience in a financial emironment coupled with well developed inter-personal skills normally associated with

FINANCIAL CONTROLLER Our client, a leading European Bank, seek to recruit a Financial Controller. Reporting directly to the General Manager, responsibilities will include company strategies, management information systems, management information systems, management information systems, management information systems, management information and accounting controls. It is essential that you are a qualified Accountant from a banking institution and keen to move into a more creative and challenging environment.

MARKETING OFFICER A wide product knowledge logether with solid marketing experience is sought by expanding Marketing Department. Establishing new and maintaining existing relationships with medium to major UK Corporates, you will ideally have experience in this client.

JUNIOR MARKETING OFFICER Major Europan Bank offers the opportunity to a young Credit Analyst to move to a fit marketing role. In-depth training and support will be given. However they expect the successful candidate to be 'up and running' in the near future. Previous international Marketing banking experience together with a degree are essential requirements.

**OSLIN ROWE** RECRUITMENT CONSULTANTS
Bell Chart House, 25 Stomfield St., London 202. Tel. 01-030

# Quantitative Analyst

Reporting directly to the Head of Research, the successful candidate will have a strong background in Maths or a Mathematical Science, possibly to PHD level, and some experience in analysing Fixed Interest Markets. Duties will encompass sales support trader support and research, initially in Gilts but with a developing involvement in International Bonds.

the progress of the successful candidate.

highly regarded, and where career prospects and financial reward are excellent.

Kleinwort Grieveson Charlesworth

CJRA

# **GRADUATES IN BANKING**

LONDON AND PROVINCES

c£15,000 + FULL BANKING BENEFITS

BRANCH BANKING DIVISION OF MAJOR UK INVESTMENT BANKING GROUP

Our client, the prestigious branch banking division of a major UK banking group, seeks applications from young graduates with 1-2 years' clearing/investment banking experience to join their expanding organisation in London or the provinces. Candidates should be committed to a career in branch banking and have completed at least part of the ACIB examinations. An outgoing personality, drive and initiative are key requisites for these appointments and the successful applicants will have the ability to assume early responsibility. Salary is negotiable with a full range of banking benefits. Applications in strict confidence under reference GB20866/FT will be forwarded unopened to our client unless you list companies to which they should not be sent in a covering letter marked for the attention of the Security Manager: CJRA.

3 LONDON WALL BUILDINGS, LONDON WALL, LONDON EC2M 5PJ. TELEPHONE 01-588 3588 or 01-588 3576, TELEX: 887374. FAX: 01-256 8501.

# Head of **Institutional Relations Property Development Company**

Our client is a rapidly expanding property a candidate will have a self-starting, dynamic ent group with offices in the North West, Scotland and London. They. have a substantial development 🔭 🕶 programme, principally in the retail shopping sector, with a current dopment programme in excess of

They are seeking to recruit a Head of Institutional Relations, a new position, to develop close contacts with institutional property managers and to present the company's philosophy and prospects to the investing institutions. A prime responsibility will be to take a pro-active stance towards the institutions' property portfolios and offer suggestions regarding redevelopment and resale. The successful

personality and will have a sound understanding of property development and financing. Aged in their late 20s to late 30s, candidates are likely to be working in the financial services department of chartered surveyors, the fund management arm of an insurance company or pension fund, or the property financing unit of a bank.

They wish to attract an outstanding individual to this post and are prepared to pay a highly competitive salary plus a comprehensive range of benefits, with the possible inclusion of share options in

Applications, which will be treated in the strictest confidence, should be

THE BOSTON COMPANY

Impact Marketing Consultants Limited, (Ref 1016), Telfords Yard, 6-8 The Highway, London, E1.

FINANCIAL CONTROL

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Boston Safe Deposit and Trust Company is one of the top 20 banks in the U.S. with balance sheet assets in excess of \$14 billion worldwide.

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We now seek managers in the local state of the second of t

The positions offer an excellent compensation package including non-contributory pension scheme,

Please write enclosing latest CV to Valerie Borley, Boston Safe Deposit and Trust Company, Three Quays,

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Hill Samuel Investment Services is seeking executives, aged 25 to 50 and with experience in industry, commerce or the professions, to

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International bank seeks gifts trader with minima of 5 years' experience to build up its market making presence in gifts.

ACCOUNT MANAGER UK CORPORATE Age to 30 yrs Salary to £25,866 p.s. A US or major international bank trained account officer is sought by

The right person, a graduate, will manage effectively and profitably the accounts under control, broadening the spread of existing business and creating marketing momentum with potential UK chants. The development of meaningful relationships with existing and new clients will be of prime

Good analytical skills are necessary, a good grasp of economic and environmental indicators as also ability in drafting facility documentation.

PROJECT FINANCE ASSISTANT Age c25 Salary to £17,000 p.a. Numerate graduate project finance assistant, familiar with Lotus 123 or Symphony as user and experience in a project finance team, is sought by international bank with significant presence in this career advancement.

All enquiries will be treated in strictest confidence. Please speak with Elizabeth Hayford on 377-5040 or write to her et-

### LJC BANKING APPOINTMENTS Devonshire House, 146 Bishopsgate, EC2M 4JX, 01-377 5040

### **DIRECTOR - PROPERTY FINANCE** £40,000 + WEST END NYCKELN FINANCE COMPANY LIMITED is the recently

established U.K subsidiary of NYCKELN HOLDING AB - one of weden's largest finance companies.

As part of a planned expansion programme, we now wish to recruit a professional banker with entrepreneurial ability who will take responsibility for the further growth of an existing property portfolio.

Applicants (aged c.30-35) should be able to demonstrate a successful track-record over several years in property lending (residential, commercial and development financing) in London and the Home-Counties, preferably also with experience of syndications, equity/profit participations or joint ventures. This key position will report to the Managing Director and the attractive compensation package is dependent only on experience and ability.

Please send detailed C.V.'s in confidence to: Ross W. Tanner, Managing Director, Nyckeln Finance Company Limited, 27 Hill Street, LONDON WIX 7FB.

75 75 27°

# SENIOR MARKETING ROLE

SEMOR MANAGER UK FINANCIAL INSTITUTIONS AND CORPORATES

A senior UK marketing manager, a graduate, is sought by international bank with sound capital strength and first-class standing.

The ideal person will probably have an American or major international bank credit training, experience as a Uk calling officer and will then have progressed in a managerial marketing role, developing banking relationships with major UK financial institutions, insurance companies, investment trusts and finance house. Initially, the position will also encompass marketing commercial and merchant banking products to some UK corporates. The reporting line will be to the Assistant General Manager, UK Corporate Banking.

Institutional transactions will cover clearing functions, cash management, custody services and overnight investment services, as also a full range of trade related products.

A creative but carefully planned aproach is important in filling the needs of these financial institutions and corporates in an increasingly complex and globally inter-related financial environment. For a marketing professional, the results and rewards will follow.

This is an exceptional opportunity in an already successful bank in course of expanding its presence and services.

In addition to salary the bank operates an excellent bonus scheme and a full range of banking benefits.

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# LJC BANKING APPOINTMENTS

Devonshire House, 146 Bishopsgate, EC2M 4JX,

# Jonathan Wren

# **ASSET FINANCE**

The buoyancy of the leasing and asset finance market is emphasised by the increasing demand for innovative individuals whose expertise and abilities are not restrained by traditional boundaries. The following current vacancies highlight the specialist disciplines required:-

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**£Neg** 

Billingual skilled big ticket leasing negotiator, with proven structuring ability.

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£Neg

A thorough knowledge of the Spanish market with ability to source and close middle/big ticket domestic leasing transactions. Fluent Spanish.

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An exceptional opportunity to join a leading international hi-tach manufacturer to develop creative cross border vendor programmes.

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£100.000+

A first class marketing professional with exceptional asset finance, capital markets and syndications knowledge, within the domestic and international big ticket sector.

**MANAGING DIRECTOR - SALES AID** 

c£60,000 + profit share

Senior professional capable of identifying and developing opportunities based on 4/5 years' experience of negotiating manufacturer support programmes.

ACA with first class accounting, treasury, funding and evaluation skills gained within a leasing environment. Start-up operation. V.P. AIRCRAFT FINANCE £45.000 + benefits Individual sought with proven track record in negotiating and structuring complex cross border transactions within this specialist

SENIOR CREDIT MANAGER

to £35,000

US credit trained capable of operating at senior level providing in-depth risk analysis and marketing support.

ACCOUNTANTS (x 5) ACA's with leasing experience gained either directly or via audit function.

F.D. DESIGNATE

£20,000 to £28,000

£18,000 to £25,000

**MARKETING POTENTIAL** 

Excellent career prospects.

Several opportunities for graduates with credit, evaluations and documentation experience, within the middle/big ticket markets.

**Jill Backhouse Associate Director**  Please contact in strict confidence **Peter Haynes Senior Consultant** 

Sarah Stone

Consultant

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HONG KONG

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No.1 New Street, (off Bishopsgate), London EC2M 4TP. Telephone: 01-623 1266. Fax: 01-626 5258.

# Head of Administration Personal Wealth Management

City

Our client is a leading international accountancy

Internal reorganisation has created an exceptional opportunity which will carry full authority for the administration of the financial affairs of a very limited number of immensely wealthy clients.

In this highly demanding role, emphasis will be placed upon the provision of a flawless level of service to the partners involved and, on occasion, directly to the

to £40,000

Probably aged between 35 and 55, you must have an impeccable background, substantial relevant experience and a knowledge of accounting, funding and basic

Terms and conditions of employment are excellent, as is the benefits package which will include membership of a first class pension scheme, private medical insurance, PHI and choice of executive level car.

To apply, please telephone or write, in the strictest confidence to Guy Jenkins quoting reference GJ 5108.



International

Search and Selection 160 New Bond Street, London W1Y 0HR Telephone 01-4997761

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We are a medium sized agency stockbroker supported by a modern settlement system and by research services. As part of the planned expansion programme of our Private Client Department have openings for:

Associates with good quality investment business to operate on a half commission basis. We would consider an arrangement with an associate approaching retirement and seeking a continuing involvement with his clients;

2. A salaried fund manager with some attached business and who would participate in the firm's attractive incentive related bonus scheme.

Please reply in total confidence to: The Finance Partner, Shaw & Co, 4 London Wall Buildings, Blomfield Street, LONDON EC2M 5NT

# CARTOONIST

The Financial Times is looking for a Cartoonist, primarily to provide pocket cartoons for its Observer Column, published Monday-Friday. Applicants are invited to send not more than six samples of their work, mainly pocket cartoons with some emphasis on topicality, to:

. DAVID CASE . FINANCIAL TIMES BRACKEN HOUSE IO CANNON STREET LONDON EC4P 4BY

FINANCIAL TIMES

### **INVESTMENT ACCOUNTING AND** REPORTING

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# Television/Christopher Dunkley

# The dangers of formula drama

Drama is the most expensive type of television to produce. In the USA it now costs well over \$2m an hour to make a series such as Miami Vice and in Britain the figure for a prestige series such as Fortunes Of War goes as high as £600,000 an hour. While the costs of other programmes (sport, current affairs, documentaries and so on) have trebled or quadrupled in the past 12 years, drama costs have multiplied seven or eight times.

Yet there is no shortage of drama. On the contrary, there seems to be more on offer now than at any time in the history of television. Moreover the choice is as diverse as it has ever been, from the soap operas - British and Australian - which now dominate the Top 10 (there are nine soaps in this week's chart, plus a repeat of the 25-year-old Steptoe And Son) to BBCl's Talking Heads, a series of subtle,

funny and deeply intense mono-logues written by Alan Bennett. But that diversity is mislead-ing. A survey of the drama cur-rently on offer suggests that a large, and increasing, proportion consists of material produced to suit the demands of the market-ing men, the exporters and the co-production departments, while an ever shrinking proportion results from the determination of individual authors to achieve self

That is not to say, of course, that the marketing men's drama is all bad. Even though popular-ity is their chief criterion, and ity is their chief criterion, and ties), The Beverly Hillbillies popularity is no guarantee of (sixties), Dallas (seventies) and quality, it is not necessarily a Cheers (eighties) all of which are guarantee of mediocrity either.

The American television industries at maning in the British schedules The American television industry at present, and in other countries is governed almost entirely by around the world. marketing men, and it is very rare that a single programme, let alone an entire series, emerges in Britain: Leguerk and Hoperman the US from the genius of a sinBoth are estensibly crime series. gle author. The reason for the absence of "auteur theory" in television is, that, willy nilly, there are precious few auteurs.

However, if your preference is for television drama that does not wring your withers, nor ques-tion your politics, nor face you with real sexuality, but which maintains a narrative line, devel-ops sympathetic characters, includes a little comedy, touches upon the broad social issues of the day, and generally provides a high level of entertainment ~ which is what millions of viewers do want at the relaxing end of a hard day - then there is nothing to touch American programmes.

Thanks to the heterogeneity of the USA's immigrant population, American television producers have to cater for a domestic audience-which is virtually a microcosm-of the world audience. officer is a stunning-young Learn to make programmes woman who is hell-bent on seduc-which simultaneously please ing the station's resident homo-America's Puerto Ricans, blacks, sexual ("Under this uniform I'm



antee international success. Hence the global achievements of *The Untouchables* (from the fif-

This month has seen the start of two more American series in both are alarmingly easy to watch, and significantly both spend most of their time on matmon is about a handsome young detective in San Francisco, and the plots of the first two episodes have involved the tenants of the apartment building which he has inherited, along with an irritat-ing terrier, from his murdered

Both series display clear traces of their antecedents. Hooperman is the latest offering from Steven Bochco who created Hill Street Blues and LA Law and, once again, much play is made with the up-ending of stereotypes. Hooperman's police station is run by a woman; Hooperman is antimacho and happy to join in a crying jag with his boss, the sta-tion's resident sex-mad police

sexual viewers and winning Bochco brownie points from the anti-stereotype brigade — sheer

genius!) and, this being the age of Cagney and Lacey, the detective – who drives a Porsche and lives in a New York apartment – is a pretty young woman named Claire McGarron It is not previous series such as McCloud or Cannon which have most clearly Cannon which have most clearly affected Leguork, however, but Moonlighting. In this week's episode of Leguork the villainess wore a white Lycra bathing costume cut high on the thigh, a white silk cape, and gold hoop ear rings... around the house, and when the heroine passed a labourer with a pneumatic drill, instead of wolf-whistling and proffering an erect fore-arm he addressed her longingly in sub-Shakespearian rhyming couplets.

addressed her longingly in sub-Shakespearian rhyming couplets. There is nothing wrong with all this, it is satisfactorily amus-ing, but whereas Hill Street Blues and Moonlighting came at you off the wall, with a striking original-ity of approach which brought them tremendous success these them tremendous success, these new series have clearly been meticulously contrived to repeat the trick. In other words, what we have in Legwork and Hooper-man is formula drama.

The same applies to a disap-

pointingly large number of recent or current British offerings, Italians, Germans, Scandina-vians, Jews, Anglo Saxons and so on, and you can pretty well guar-creating lust among male hetero-letura Of Sherlock Holmes has

got remarkable mileage out of emphasising Holmes's authentic eccentricity, BBC2's A Very Peculior Practice did convey a truly individual voice, that of Andrew Davies; and with Talking Heads Bennett powerfully reinforces his claim to be considered one of the true auteurs of this medium.

Patricia Routledge did him proudlast night with her unerring portrayal of the middle class busy-body in "A Lady Of Letters."

But Sophia And Constance looks and feels like the sort of thing the BBC drama department could produce on autopilot, and once you have seen classic adaptations as good as Granada's Hard Times and, above all, the BBC's own Bleak House, it is dismiriting to have in en back to piriting to have to go back to material as mundane as this (though the fault may be partly Arnold Bennett's: perhaps The Old Wives Tale is one of his more

Worst of all, much of ITV's drama output in recent months has been looking more and more like the product of an industria-lised system in which colour-coded sections are mass produced by factory robots and then bolted together by marketing men. The Sunday evening series Gentlemen Sunday evening series Gentlemen And Players is a prime example: the cars, the Sloane Ranger women, the locations, the City jargon, the leisure pursuits are all there — every constituent of the telly commercial lifestyle. What is missing is any hint that the whole thing might have begun with somebody who had a story to tell. Each episode is like a 60-minute ad for Martini.

The sudden unsurge of drama

house. He smashes Judy in the mouth, kicks her in the face and

asks "Why did you always let me hit you?" Sally turns up, chasing

Evening Standard, and saves the

The room is spare, bathed in a

livid green light, Jack's pen-knife lies worryingly open on the scrubbed boards. The tension is superbly maintained in the per-formances of Linda Marlowe and

James Laurenson, the one bleached out and lonely after 20

Goethe still plays in Hammer

smith; Marlowe arrives in Water-loo later this week; and a sar-donic mitteleuropäisch version of Faust has materialised in the

aptly subterranean purlieus of the Barbican's Pit, where Václav

Havel's black dense macabre on the quicksands of totalitarian bureaucracy underlines the perennial appeal of the meta-physical bargain-hunter.

The journey from Stratford to London is one that can leave the more perishable productions as limp as week-old lettuces; but

Roger Michell's direction finds this beautiful piece of ensemble-playing iceberg-crisp, much as it was when Michael Coveney

praised it a year ago at the RSCs Other Place. The allegory of sup-ping with the devil and finding that you're the main course is

played against the background of a scientific institution in (let us

say) present day Czechoslovakia. Dr. Foustka dabbles in necro-mancy in private and conjures up

a smelly tramp-like emissary from Avernus, who provides David Bradley with another dis-

tinguished portrait for his cur-rent RSC gallery (Cymbeline and Aguecheek included). Betrayed to his superiors for this unscientific

behaviour, Foustka becomes

The sudden upsurge of drama from HTV is depressingly similar. Codename Kyril, The Woman He Loved, and Wall Of Tyranny all looked like determined attempts to fulfil precisely preserved forwards. conceived formulae: the sixties spy drama, the royal romance and the international romance

and the international romance.

The awful irony is that if the British do stop making outstanding and specifically British drama series such as Jewel In The Crown, Edge Of Darkness and The Singing Detective (all of which achieved big audiences) opting instead for the international Martini drama, the laurels are gring to pass to the American are going to pass to the Americans because, when it comes to international appeal, they are virtually unbeatable. Yet they do not set out with that in mind, they go for the domestic market (which in their case happens to be virtually "international") and the British should similarly stick

Nobody planned for The For Nobody planned for The For-syte Saga or Yes, Minister to sell globally: they were tailored for the British audience and proved later to have international appeal. That should continue to be the process if quality is going to count for anything, even if finance does prove more difficult.

# Sore Throats/Theatre Upstairs

Michael Covency



James Laurenson, Linda Marlowe and Hetta Charnley

years of misery, the other desperate to subsidise with marital booty a somewhat sordid new liaison with the unseen Celia.

After witnessing a scene of barbarc violence, we hear Judy read from a letter her son has sent from Africa about rough justice administered to a petty thief. Judy's physical disgust at this account is deeply ironic after what she has just undergone. But she is put on the rails of revenge by Hetta Charnley's cheerily participatory experimentalist, and sent the short second act reveals the women still wrestling to wrench as conceand-for all experience into offspring, and Judy burns the rest of her money. The haby, it transpires, is a fraud, which only goes to show that a policeman's lot is not a nappy one.

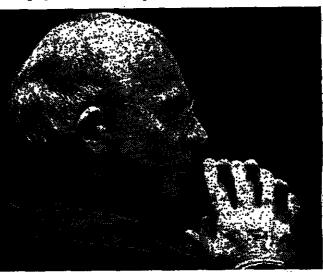
It is incredible to think that, ten years ago, Brenton was attacked by feminists for this deeply moral, beautifully written play. Its hitter humour is particularly well handled by the cast, and the production is ingeniously turned, for the women are now designed by Fotini Dimou and trong to guest to show that a policeman's deeply moral, beautifully written play. Its hitter humour is particularly well handled by the cast, and the production is ingeniously turned, for the women are now designed by Fotini Dimou and trong the short second act reveals the women still wrestling to wrench offspring, and Judy burns the money the policeman's play it their lives, where everything transpires, is a fraud, which only goes to show that a policeman's the women hat it happen, luridly, now.

It is incredible to think that, ten years ago, Brenton was attacked by feminists for this deeply moral, beautifully written play. Its hitter humour is particularly recounts how he apply the cast, and the production is ingeniously turned, for the women are now designed by Fotini Dimou and transpire at a fraud. Which only goes to show that a policeman's attacked by feminists for this deeply moral, beautifully written the production is ingeniously turned.

# Temptation/Pit

Martin Hoyle

entangled in bluff, double-bluff recalls the early, intimate comeand equivocation. dies of Milos Forman, especially
The play's mood initially at the institute's sad little social



John Shrannel

where the dancers move to Jeremy Sams's bittersweet banal

where the dancers move to Jeremy Sams's bittersweet banal waitzes or vacuously perky twosteps. The atmosphere's mixture of menace and absurdity is perfectly caught with repeating verhal patterns, like musical themes, as the edgy staff tosses certain nervous phrases around: "Have you had your seep ration?" "Did you sleep well?" "Looking forward to the social, are we?"

As a much-victimised dissident, Havel has seen no play of his performed since 1969, with one police-interrupted exception. One only hopes he knows how proudly productions like this keep his flag flying. In the general cat's cradle of spying, lies and betrayal there are fine performances. John Shrapnel's Foustka exudes common sense, splendidly deflating the portentous and the sinister until it's too late. Barrie Rutter is superbly odious as the sneaking Deputy Director. Shirley King hilarious in the smirkingly silear role of his compliant wife. Julie Legrand, who nothing common does or mean, is the stylish mistress whose tastes run to sadomasochistic fentassy (and possibly betrayal). But selection is really nasochistic fantasy (and possibly betrayal). But selection is really invidious since this is RSC team-

# Berio/Elizabeth Hall

less because of the playing or conducting (which never fell) below the Sinfonietta's conventional standard of excellence) than the result of an insubstantiality in the programme. If there was a "theme," then it was folksong, transcribed faithfully in Rayel's Deux Mélodies hébroidures, insubstantiality in Rayel's Deux Mélodies hébroidures in the programme to have exploited.

Berio also conducted the first heavyweight — with some odd bread alone would have seemed sufficient to have be heavyweight — with some odd bread alone would have seemed sufficient to have the programme of a revised alone would have seemed sufficient to have the five Mahler Songs proved to be heavyweight — with some odd bread alone would have seemed sufficient to have the five Mahler Songs proved to be heavyweight — with some odd bread alone would have seemed sufficient to have the five Mahler Songs proved to be heavyweight — with some odd bread alone would have seemed sufficient to have the five Mahler Songs proved to be heavyweight — with some odd bread alone would have seemed sufficient to have the five Mahler Songs proved to be heavyweight — with some odd bread alone would have seemed sufficient to have the five Mahler Songs proved to be heavyweight — with some odd bread alone would have seemed sufficient to have the possibilities performance of a revised alone would have seemed sufficient to have the possibilities performance of a revised alone would have seemed sufficient to have the possibilities of a single performance of a revised alone would have seemed sufficient to have the possibilities of a single performance of a revised alone would have seemed sufficient to have the possibilities of a single performance of a revised alone would have seemed sufficient to have the possibilities of a single performance of a revised alone would have seemed sufficient to have the possibilities of a single performance of a revised alone would have seemed sufficient to have the possibilities of a single performance of a revised alone would have seeme song, transcribed faithfully in Rayel's Deux Mélodies hébrai-ques, tingeing the vocal lines in the Five Early Songs of Mahler that were heard here in Berio's orchestration, and forming the matrix of Berio's own Voci, subti-

Andrew Clements

haunting felicities later too – the glittering instrumental combina-tions and melodic glosses so char-acteristic of Berio's aural imagination. But one is left with a Again it falls quite effortlessly on idiom, in which the two utterly feeling of material only partially the ear, and again, equally effortly explored, an expressive potential lessly, out of the memory after left untapped, that a work on wards.

changing in colour and texture neither a faithful recreation of and sparking subsidiary activi-ties as it finds new contexts. recomposition in Berio's own

# Hakan Hagegard/Elizabeth Hall

David Murray

Hagegard's Winterreise yesterday counted not only as an "End Game" in the current South Bank series, but as a "Late Lunch" too — later than was comfortable for a few members of the large audience, though Hagegard took only a reasonable seventy minutes over Schubert's cycle: the last songs were punctuated by embarrassed departures. (The Smith Square lunchtime concerts are incider, protected by the decorum required for live broadcasts.) The Swedish baritone's concentration

Hagegard's Winterreise yesterday counted not to be ruffled; in fact he had been learning better and been reflective he had been learning better and better how to cope with those advisers, but as a "Late Lunch" too — later than was comfortable for a few members of the large audience, though Hagegard's pleasant, lightish baritone has long been familiar to lovers of Ingmar Bergman's To Zunberflöte (he was the Papagor's Chubert's cycle: the last to lovers of Ingmar Bergman's artfully and tellingly, and spun out the final songs on an affective he had been learning better and better how to cope with those advisers, better how to cope with those advisers, but as a "Late Lunch" too — later than was comfortable for a few members of the large audience, though Hagegard took only a reasonable seventy minutes of lovers of Ingmar Bergman's to lovers of Ingmar Bergman's geno), and it hasn't changed much. He uses it with poise and clarity; without a strong lower register, he relies upon intelligible to love the final songs on an affect the he had been learning better and better how to cope with those advisers on the first tempil. It is swiftness was sometimes a litter to generally brisk tempil. It is swiftness was sometimes a litter in "trilicht" he tossed light higher phrases into the air displaying the closing song was out the final songs on an affect to generally brisk tempil. It is swiftness was sometimes a litter in "trilicht" he tossed light higher phrases into the air displaying the closing song was sometimes a litter in "trilicht". He tossed light hig

# **Arts Guide**

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LONDON

LONDON

The Common Pursuit (Phoenix). Second London chance for flawed Simon Gray comedy about Cambridge graduates in love. Author directs good young cust of post-Python comedians including Rik Mayall and Stephen Fry. (836 234, CC 340 9861)

Easy Virtue (Garrick). Transfer of King's Head revival of early Noel Coward, same period but lesser vintage than Hay Fever, but worth seeing. (379 5107)

Bioody Poetry (Royal Court). Howard Brenton season inaugurated with this fine play about Byron and Sheliey, a fierce meditation on the unloved artist in exile. Sian Thomas a notable Mary Shelley. Max Stafford-Clark directs. (730 1745)

A Touch of the Poet (Comedy). Vanessa Redgrave and Timothy Dalton in profix but fascinating O'Nelli play set in the aftermath of the



European republican upheavals.
Dalton is Con Melody, a Byronic wreck pipe-dreaming in the bar. Redgrave his loyal but defeated spouse. (800 2578, CC 839 1438).
South Pacific (Prince of Wales). Traditional revival of the great Rodgers and Hammerstein musical, Genma Craven failing to wash the baritonal Emile Belcourt out of her hair.
Shirley Valentine (Vandeville). Pauline Collins in fine and funny monodrama by Willy Rossell of liberation for a Liverpool housewife on Confu. Shades of libera's Nora and Beck-

ett's Winnie, with jokes. (836 9987, CC 379 4444). Ruds April 30. The Phantom of the Opera (Har Majesty's). Spectacular, nourishing new musical by Andrew Lloyd Webber. (839 2244. CC379 6131/240 7200). Foilies (Shaftesbury). Stunning revival, directed by Mike Ockrent and designed by Maria Bjornson, of Sondheim's 1971 musical in which poisoned marriages hearly under-

(836 2660/4143) lapgood (Aldwych). New Tom Stop-Hapgood (Aldwych). New Tom Stop-pard mixes espicasge, romance and higher physics in a splendidly taut and claver entertainment. Felicify Kendal is the eponymous intelli-gence agent, Rogert Rees and Nigal Hawtherne in elegant support. Dou-ble meanings and double identities abound. (836 6404, CC 379 8223).

**NEW YORK** 

Fences (46th Street). August Wilson hit a home-run, this year's Pulitzer Prize, with the powerful tale of an old baseball player raising a family in the 1950s, trying to improve their lot but dogged by his own fallings. (221 1211). (221 1211). Cats (Winter Garden). Still a sell-out. Trevor Nunn's production of T.S. Eliot's poetry set to trendy music is

visually startling and choreographi-cally feline. (239 6262).

Chorus Line (Shubert). The lonrest-running musical ever in America has not only supported Joseph Papp's Public Theater for eight years but also updated the musical genre with its backstage story in which the somes are used as auditious rather than emotions. (239 e200).

sondheim's 1971 musical in which poisoned marriages nearly undermine an old burlesque reunion in a doomed theatre. (379 5389).

Serious Monsy (Wyndham's). Transfer from Royal Court of Caryl Churchill's slick City of London comedy for champagne-swilling yupples: how the Big Bang led to class tomult and barrow-boy dealings on the Stock Enchange. (836 3028, CC 379 6585). Ends April 30.

Back with a Venguance (Strand).

Barry Humphries, Indisputably the outstanding vandavillian of the age, has extended his triumphant London season to July 9. Dama Edna. Everage has now earned full immunity to good taste, while the bilintons diplomat Sir Les Patterson touches new heights of degradation.

(866 2560/4143)

Herspead (Aldwych). New Tom Stop-

(566 6510).

Me and My Girl (Marquis). Even if the plot turns on bronic mimicry of Pygmalion, this is no classic, with forgettable songs and dated leadenness in a stage full of characters. But it has proved to be a durable Broadway hit with its marvellous lead role for an agile, engaging and defiacter, preferably British. (947 0088).

WASHINGTON

The Search for Signs of Intelligent Life in the Universe (Eisenhower). Lily Tamiin repeats her Tany-award Lify Tomlin repeats her Tony-award winning solo performance of the crasy people who misabit her funny and strange imagination. One major segment explores the women's movement over the past decade. Ends June 28. (254 3570)
The Mystery of Edwin Drood (Kennedy Centre Opera House). The Broadway hit musical based on Dickens' unfinished novel features

the music of Rupert Holmes for which the pop composer won a Tony. Ends May 1. (254 3770).

April 22-28

TOKYO
The Wars of the Roses (Tokyo Globe Theatre, Shin-Okubo). The English Shakespeare Company opens Tokyo's newest theatre with Michael Bogdanov's lively and inventive production of Shakespeare's English history plays. The theatre was designed by RIBA gold medallist, Arata Isocaki, as a witty pastiche of the Elizabethan original. A bare stage throws the focus onto the actors and onto costumes that range from medieval through Victorian to punk. Barry Stanton's fine Palstaff in Henry IV is an excellent foil to Michael Pennington's angular Prince Hal In English. Six plays in repertory. (343 4751).
Hanshin (Theatre Apple, Shinjuin). A recent survey indicated that Yume no Yuminaha is the most popular theatre group among today's young generation.

recent survey indicated that Yome no Yominaha is the most popular thesire group among today's young generation. Hideki Noda's productions are complex fantasies with a strong win of surrealist humour, rather as if Monty Python were invited to attend a traditional Japanese street festival. Noda himself is a high-energy comic performer of great charm and the entire company is skilled in song, dance and acrobatics. Hanshin (half-god) is about Siamese twins and attempts to separate them, but the plot is less important than the outpouring of visual invention. Total Theatre at its most exuberant.

to Takeru (Shimbashi Enbujo). Tanato Takera (Shimbashi Enbujo). This staggeringly successful super-kabuki production by the kabuki theatre's greatest showman, Ichl-kawa Ennosuke, has aiready broken all the records that a new show can possibly break in Japan. Its sheer size and spectacle put it in the same category as the most extravagant Broadway musical.

(S41 2011). Ends April 28. (541 2211). Ends April 28.

Saleroom/Antony Thorncroft

Top price for Canaletto

mate.

The Old Master auction of his mistress, later his wife, Elibrought in £718,410, with 22 per
cent unsold Hazlett Gooden & shows her already a victim of
Fox bought "Daedalus fixing the
wings of Icarus," attributed to II
satistello, for £74,800, four times

satistello, for £74,800, four times

octoben & Fox was binsy again,
acquiring a drawing by Rossetti
binsy again,
acqu wings of Learus," attributed to II sattisful, for £74,800, four times forecast, while a telephone bidder secured a view of Naples by Joseph Melgarejo for £50,600, and on Monday another \$567,000 against fierce competition. A Jacob Ruisdael scene of a waterfall was on target at £49,500.

Across at Christie's English drawings and watercolours did well, bringing in £315,732 with well, bringing in £315,732 with

well, bringing in £315,732 with only 7 per cent unsold, and with lialian collector bought a Purdey most top prices way above estimate. None more so than the ejector gun, engraved by Ken £33,000 paid by dealer Roy Miles Hunt, for £22,000. In a coin sale £33,000 paid by dealer Roy Miles Hunt, for £22,000. In a coin sale for a tiny watercolour, five Baldwins bought a 1913 Wilhelm inches by four, by Millais, a copy II 20 marks, gold, minted at Stuttof his famous painting, now in gart, for £7,700, way above forether Tate, "The order of Release." cast. An Australian penny token, This work, showing a Highland produced in Melbourne in 1854, wife handing to a suspicious English soldier the warrant for of which only two are known, the release of her husband, realised £5,600, to Spink.

At Phillips furniture sale, rugs popular among Victorians that were out of favour but furniture Agnews gave Millais fifty guineas did well, with a top price of the make this tiny copy in 1863. In £11,000 for a pair of Regency

Phillips managed the top price of the day, with the £165,000 paid by the Artemis Group for a small mgs of game hirds remain very popular and a price of £22,100 mgs paid by a private collector campo of Santa Maria Zobenigo for a cock and hen pheasant in at one time it was attributed to Bellotto, but its provenance seems secure enough now, and the price was five times the estimate at £19,250. Hazlett the price was five times the estimate at days of the day, with the £165,000 paid by a private collector for a cock and hen pheasant in a glade. Andrew Nicholi is also in demand and a pretty view of Bellotto, but its provenance its estimate at £19,250. Hazlett Gooden & Fox was busy again, mate.

to make this tiny copy in 1863. In £11,000 for a pair of Regency 1901 Agnews bought it again for carved rosewood and brass 170 guiness. Yesterday it carried mounted elbow chairs, which had a £6,000 top estimate but obvi- a top estimate of £1,500.

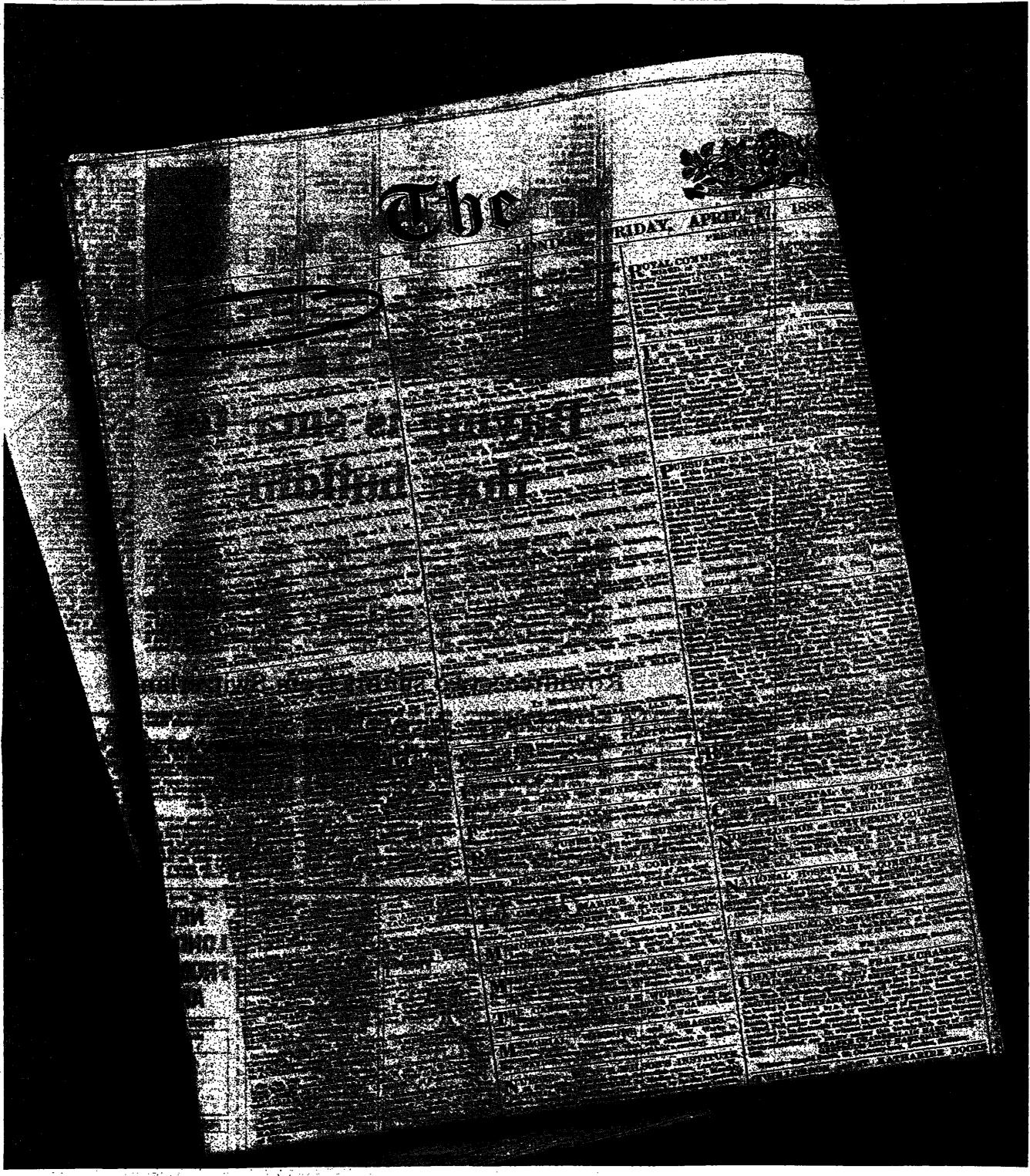
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Charmen .

The state of the



# We've been making news ever since.

Lawrence of Arabia is born this year, Marconi still at school. Robert Browning, though, has only one more year to live. The Fall of Khartoum and the death of Gordon are still vivid, but it will be another eight years before Kitchener's victory in the Sudan.

In Britain, Victoria is in her 51st year as Sovereign, and income tax is lowered a penny to 6d. Gilbert and Sullivan are in full swing. So is W. G. Grace. Bicycling is increasingly popular too, and Dunlop invents the pneumatic tyre.

Lord Kelvin and Messrs Edison, Lister and Bell are also pioneering, but the future of the horse for road transport looks shaky. The electric tram is making inroads. More significantly, Priestman in Hull have developed the first 4-stroke oil engine, forerunner of the modern petrol engine.

Petrol is a derivative of paraffin, or lamp oil. And in Britain in this year 1888, a new company is formed to introduce mineral lamp oil to millions, the first widely available cheap source of light this country has ever known.

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# **FINANCIAL TIMES**

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Wednesday April 27 1988

# The conduct of newspapers

print media - has not recently been performing very well. How far this is the fault of the council itself, whether its powers are insalequate, or whether sections of the media have simply decided that they can afford to ignore it, are open, though related, ques-

What is indisputable, however, is that matters cannot be allowed to go on like this. On the one side, there is the possibility that journalistic standards will decline further, thus bringing the press into greater disrepute. On the other, there is a growing chance that parliament will seek to take measures to compel the media to put their house in order. A continuing fall in standards

would, of course, make the second possibility more likely.
Some of the failings of the press hardly need to be rehearsed. There is the intrusion into privacy, which is resented by those at the top of society as well as those less elevated. There is the manufacturing and embroidering of quotations. Not least, there is the use of money to per suade individuals to supply their story to one particular paper. None of that is defensible.

### Extra bureaucracy

The case against regulation by statute perhaps needs some spelling out. At bottom, statutory powers over the press would mean censorship. Even if it were censorship of the most benevo-lent kind, it would still mean an extra layer of bureaucracy. Someone outside the press would have to decide what should or should not be published and to exact punishment if the rules were broken. Moreover, there are grey areas. Not everyone agrees on what is beyond the realms of decency or on what is, or is not, in the public interest. Statutory regulation would almost certainly lead to the suppression of some stories that ought to be published. It would also produce a running conflict between the press and the regulatory authoriites, possibly with frequent resort

to the courts. Yet the pressure for regulation is mounting. There have been monitoring standards and two recent Private Member's responding to complaints.

BRITAIN'S Press Council – the body set up by the industry to try to maintain standards in the particular item in The Sun and another calling more broadly for readers to have a statutory right results to have a statutory right of reply to newspaper articles. These pressures, which come from left and right alike, will grow if the press does not reform itself.

### Stronger council

Quite the best way forward is to make a determined effort to strengthen the existing Press Council Sir Zelman Cowen, the up the council's slow procedures. But he has been remote from the press and has lacked the power to influence. Some newspapers have ignored the council. Others have been printing Press Council rebukes of their stories on deliberately obscure pages. Sir Zel-man, doing a pari-time job from an Oxford college, could do little

The appointment of a successor

is imminent. The new chairman will have to regard his activities as almost full-time. He will have to talk quickly to the proprietors as well as editors of those newspapers that frequently transgress to see if they are ready to change their ways. And he will have to seek a voluntary agreed code of conduct that includes a right of redress to the reader when newspapers overstep the mark, as well as punishment for the offenders. If such an agreement is not reached soon, the new chairman will have to point out that the case against statutory action will

All newspapers, however hard they try to check their facts, will make errors from time to time. The policy of the Financial Times is to correct factual errors promptly, while the letters col-umn is open to readers who disagree with our opinions and judg-ments. Sometimes there are disputes about accuracy or fairness which cannot be resolved. While recourse to the law is always an option, it is in the interests of newspaper readers and the newspaper industry, including the FT, that the Press Council should be seen as effective, forceful and impartial in

# **Mexico sticks** to austerity

UNOBTRUSIVELY, the Mexican popular discontent, even forcing Government has been confound-Mr Carlos Salinas de Gortari, the ing the sceptics at home and PRI presidential candidate, to abroad with its economic perfor- adjust his campaign strategy.

mance. The cut in the public secHowever, the Government has mance. The cut in the public sector deficit, the increase in non-oil stuck to its objectives. The latest exports, the accumulation of reserves and the drop in inflation against a background of tight economic management, offer overwhelming proof that President Miguel de la Madrid is not ducking his responsibilities in the last year of his six-year term. As a result Mexico is raising itself head and shoulders above Argentina and Brazil, the other Argentina and Brazil, the other two main Latin American debtors, in economic management, and demonstrating what can be achieved in a relatively short space of time with coherent poli-cies that are not side-tracked by

political in-fighting.

There was a moment late last ar in the wake of Black Monday (and an even more spectacuiar crash in the Mexican stock exchange) when President de la Madrid hesitated to take unpopular decisions. The temptations were real enough: should he risk being the one recent President to have presided over a 'sexennio' of zero growth and exit on an unglamanagement, leaving a sound long-term base for his successor?

In the event the lessons of his redecessor's disastrous last-minute act of populism, the bank nationalisations, seem to have been well learned. He also has had enough faith in Mexico's own particular political system, domi-nated by the institutionalised presence of the PRI, to act on the basis of continuity. Thus in an electoral year, instead of handing out sweeteners, he has opted for austerity and even temporary

# Need for courage

This was what was needed to tackle high inflation and a public

### Orthodox approach The De la Madrid Government

will not reap the direct rewards, unless it wishes to be irresponsi-ble in stimulating an early recovery. Mr Salinas, who seems almost certain to win the presi dential elections in July, wisely recognises this and has given every indication of being anxious to maintain an orthodox approach. He will rely on a further slimming down of the public sector, a realistic exchange rate, trade liberalisation to help with domestic prices and encouragement of the trend away from dependence on oil exports. He also has a sufficient cushion of foreign reserves to pay for increased social welfare if wage purchasing power continues to lag behind inflation.

Some elements from the Mexican experience can travel else-where in Latin America, most notably consistency in establish-ing a long-term framework for lessening state intervention and deregulation. However, Mexico possesses a more unified decision-making process; it has a Free Democrat Party, but broke Government open to little real away when it went into a coalichallenge from opposition, a more obedient trade union move-ment, and it benefits in many intangible ways from proximity

The De la Madrid administration has achieved results by folsector deficit equivalent to 16 per lowing the prescriptions considcent of gross domestic product. ered necessary by the Nevertheless, it required courage. international financial commu-

European chocolate market offers Nes-tlé a rich and enduring prize. The cap-ture of Rowntree would promote the Swiss food group from fifth place in the Continent's chocolate confectionery rankings to top position with about a 20 per cent share of the market.

This single stroke would give it double the clout of rivals Suchard, Ferrero and Cadbury, displace Mars from its top spot with a 17 per cent stake, and make Nestle's chocolate business into a worthy stablemate for its thoroughbred

worthy stablemate for its thoroughbred coffee and dairy products businesses.

In broader terms the bid continues — and will probably serve to accelerate — the process of polarisation in consumer goods manufacturing which is sweeping ever larger collections of national and international heards to the the material of the collections. and international brands into the port-folios of a select group of multinational

It has happened in durables, where Electrolux has come to lead the world market in domestic appliances. Companies like Unilever, Procter & Gamble and Colgate Palmolive rule supreme in household and personal products. Grand Metropolitan and Guinness, Seagram and others seek dominance in

The single common target is to build companies to a size with the critical mass to match the extraordinary recent extension of markets beyond national boundaries. This has been encouraged by cultural cross-fertilisation and increasing homogeneity of tastes. It is being institutionalised by projects like the European Community plan to com-plete the internal market in 1992.

plete the internal market in 1932.

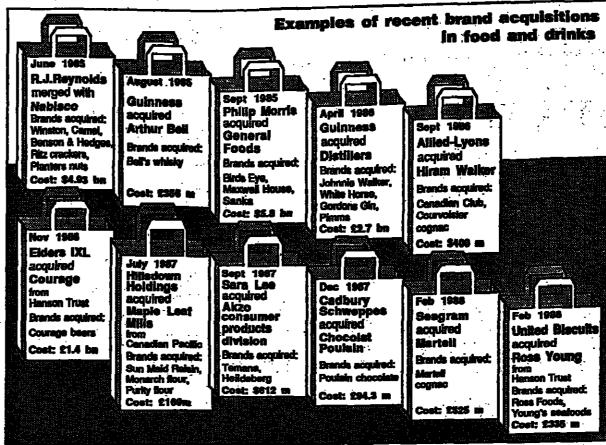
The common means of achieving the target is the purchase of companies packed with brands: named products which have as far as possible a universal appeal. Price, it seems, is no object. More than half Nestle's \$2.1bn offer for Rownstree is for the goodwill in names like Quality Street, Lion and Kit Kat.

Recent experience has shown that Recent experience has shown that managers believe takeover is the surest managers believe takeover is the source - and cartainly the speedlest - way into the new global marketplace. Uni-lever struggled and falled for years to build a personal products business in byer strugget and lance for years in the US. Product after product and brand after brand stumbled and fell as Procter & Gamble, Colgate and other rivals turned up the marketing presrivals turned up the marketing pres-sure against the interloper. Just over a year ago Unlever cut its losses and transformed its fortunes by splashing out more than \$3bn on Chesebrough-

out more than \$3bn on Chesebrough-Pond's collection of Vaseline, Pond's Of course, it is possible to build brands from scratch, as Lever has shown in Britain with the development of Wisk liquid detergent and Mars dem-oustrated with its Tracker confection-ery bar. But the risk is high and launch costs can be phenomenal. Recent esti-mates suggest that current advertising and marketing costs for a new brand in Britain are between £7m and £10m in

the first year alone.
High television advertising rates in
the UK have attracted much unfavourable comment recently, but they are

Christopher Parkes and Lisa Wood analyse Europe's battle for brand-names after Nestlé's bid for Rowntree



# Buying is smarter than building

high simply because demand is high. And demand for air time has grown because it is now impossible to per-suade the powerful multiples dominat-ing the retail trade to stock new prod-ucts without guarantees that they will

Brands are very valuable items. It takes a long time to build a brand. It takes more and more money today to build one and you are not always assured of success," says Mr Reto Domeniconi, Nestlés chief financial offi-

Strong names, with a strong con-umer franchise, afford manufacturers the muscle to demand shelf space and, because of carefully nurtured image-making the ability to command higher margins than commodity-priced products or those sold under retailers' own

manufacturers are in a stronger posi-tion to negotiate with distributors and supply them more efficiently from single sources than smaller producers shipping a handful of lines.

There are other forces driving the rationalisation of consumer products industries. In the alcohol business, for example, static consumption levels and the resultant flerce competition have prompted some to seek to sell out and leave the game to the major players. The food business is similarly

affected, although until recently few companies - with the exception of Nestle and Unilever – have attempted to establish a global or even a pan-Euro-pean strategy. Because taste in food is

sigent national or even regional characteristics, companies have tended to be nationally focused.

However, starting on the fringes (such as the confectionery trade) the process of international concentration has begun as the hard edges of national has begin as the half soges of indingal preference have become blurred. Pasta, an Italian speciality is now an international product. Accordingly, BSN, the French-based food group, has purposely built itself into the second largest pasta maker in Europe and continues to purone a vigorous acquisition programme. In the past two years it has bought Sunnen-Bassermann, a German pasta and some maker, and stakes in five Italisn pasta producers. Similar tactics have taken BSN to world prominence

in the yughurt market.

Meanwhile Rowntree has been engaged in a tough battle for the last 20 years to establish its products in manland Europe. Now there is growing evidence that the York-based group may have got its European operations right, with growing profitability from brands such as Lion bar, Polo mints, After

Right chocolates and Quality Street.

Difficulties in establishing the business, with production plants located on the Continent, have been legion. To begin with there was naive optimism over challenging Continental eating hebits and the group went for a broad-brush approach with the introduction of several brands. The number has since been cut down. "Concentration of

since been cut down. "Concentration of marketing resources on a smaller number of hrands takes courage," says Mr Gordon Neal, deputy chairman of Rowntree's European division.

The company started production on the Continent in the 1970s and quickly adopted the potentially cost effective policy of serving national markets from central factories. All Kit Kats for the Continental market are made in Hamburg, Quality Street in Dijon and Lion Bars in Paris.

However, plant efficiency was hin-

However, plant efficiency was hin-dered because different national mar-kets demanded product sizes geared to their own customers. Rowntree has faced a prime challenge in reducing this variety of package sizes. Some success has been achieved, and has helped improve efficiency and profit margus, but these are still lower than in the UK. A more pan-European approach to advertising has been adopted, leading to greater central control with local adaptation as necessary.

But the increasing internationalisation of consumer moducing means that

tion of consumer products means that Nestle's takeover attempt may well have a catalytic effect. It may prompt more bids for Rowntree — and Hershey of the US is known to be interested in a European adventure. It will also remind other ambitious companies eye-

rammin other annuclous companies eyeing the world stage that there will be
relatively few opportunities to acquire
a brand group of such Standing.
Once those household names are
locked up inside a giant multinational
like Nestié, it will be almost impossible
to prise them loose again. It will be an
ourse worm deputing test to company

# Rowntree's two suitors from Switzerland

NESTLE'S 22.1bn bid for Rowntree was clearly designed to smother Suchard's earlier, more tentative, raid on the

British company.

But Suchard, which acquired a 14.9 per cent stake in its April 13 dawn raid, should not be counted out. Last year it showed the ninhler footwork when winning control of Cote d'Or, the Belgian chocolate maker, before its grant world Westig could not le hid. great rival Nestié could seal a bid. And Nestlé's L1,600bm (\$1.3km) bid last month to buy the assets of Bui-toni, Italy's pasta and confectionery group, from Mr Carlo de Ber was a snub to Suchard, which has made no secret of its desire to expand its confectionery business in Italy. Bui-toni owns the chocolate company Peru-

son between the two Swiss concerns. Nestlé is the world's higgest food man-ufacturer with a 1987 turnover of SFr

ufacturer with a 1987 turnover of SFr 35.2bn (\$25.4bn). Jacobs Suchard's total sales last year were SFr 6.1bm; Things are more even in chocolate and confectionery, however, where Suchard's sales reached SFr 3.5bm'last year compared with Nestle's worldwide sales of SFr 2.8bm. Moreover, Suchard's Mr Klaus Jacobs has been the more aggressive recently, as befits a newcomer. He moved into the chocolate market only in 1982, when he merged market only in 1982, when he merged parent of Suchard and Tobler.

In coffee, the companies are also fierce rivals. Jacobs Suchard has been trying to steal a share of Nestlé's mar-ket for decaffeinated coffee while Nesship in the European ground roasted coffee business. Nestlé, which launched Nescafé in 1938, is the world's leading

Nescaté in 1838, is the wurld's leading producer of instant coffee.

Beth can deploy well-filled war chests. In 1885, Nestié, paid \$3hm for Carnation, the US foods group. Yet it still possessed liquid assets amounting to just under Ser 7hm at the end of 1987. Suchard's cash, at Ser 705m, is not in the same league. But its balance sheet is healthy: shareholders' equity is equivalent to 37 per cant of its total capitalisation. Yesterday its amoual general meeting approved a capital increase through a 1-for-5 rights issue. In buying up shares of the international chocolate and confectionery market both companies benefit from Swiss accounting practices, under which assets can be greatly under-

stated and hidden reserves legally accrued. This financial strength under-pins Swiss aggression.

Suchard's approach to Rownizee is meant to reinforce its position in a European market in which Mr Jacobs argues expansion is becoming increasingly difficult. But Suchard's ambition is to match Nestle's global range and Mr Jacobs also saw in Rownizee's Commonwealth links new opportunities, particularly in the Far East.

Nestle's recent expansion, as belits a long established multinational, has had wider product objectives and been motivated at least partially by geogra-phy. Mr Helmut Maucher, Nestle managing director, said early on that he wanted one-third of the group's busi-ness anchored in North America. This

was achieved with the purchase of Car-

Until recently Nestlé seemed more inclined to expand in other sectors than chocolate. Companies were bought and new products launched in the coffee, refrigerated foods and fast foods. Even pet foods were developed.

Suchard's pugnacious approach in Suchard's pugnacions approach in the confectionery business, typifled by its snatching of Cote d'Or and its acquisition of the US company E. J.Brach in 1986, has reawakened the shown it opportunities waiting to be

> William Dullforce in Geneva

### German at Nestlé

Maucher, the burly West German leading Nestle's raid on Rowntree, has been very much that of the private with a marshal's baton in his knapsack. He started work as an apprentice in Nestle's factory at Eisenharz, near Lake

Constance.
In command for the last seven years at Vevey, the group's head-quarters on the shores of Lake Leman, he planned the series of strategic acquisitions that have secured Nestlé its present domi-nating position in the foods busi-

His blunt style of management and his tendency on his travels to take local managers into the shops selling their products are also credited with restoring morale after the traumas Nestlé suffered in the 1970s when strong marketing of its infant foods pro-voked charges that it was killing bables in the third world.

Mancher quickly dispelled doubts in Vevey about having a German in charge of Switzerland's biggest multinational. He learnt French and serves local Swiss wines to the Highgart Vannith and serves local Swiss wines to the Highgart Vannith and serves and serves local Swiss wines to the Highgart Vannith and serves and serves local Swiss wines to the Highgart Vannith and serves and server and serve

tion with the Social Democrats in 1969. He is an irredeemable capitalist. Private enterprise and cap-

Armstrong's prize

Min terms of merit, there is

# *OBSERVER*

man and has access to practically everyone.

Some day, however, more peo-ple are going to notice that such official appointments are drawn from a fairly narrow base. The authorities might begin to trawl a little wider, even if they come up with a distinguished ex-civil servant in the end.

Missing Manchester The peerage of the realm is suffering from a surfeit of Manchesters, which is proving discon-certing and embarrassing for the Kimbolton near Cambridge.
The Duke visited Los Angeles recently to find that a Lord Man-chester had preceded him and left all his hotel bills with the consol general. The Duke had a

hard time explaining.

Now he finds that the Yorkshire Robin Hood Society has someone calling himself Lord Manchester as its pairon. Lord Sean Manchester, as he he signs himself, believes he is descended

He prefers reading in his spare the was bled by the Prioress of the was a nice man at properties, but plays the occasional game of golf because, he says, it is a sport he can practise with his wife.

In earlier days Maucher sup.

In earlier days Maucher sup.

In earlier days Maucher sup.

In that since Room mood died was a nice man at heart; now, however, he seems to have run out of ideas.

On Monday evening Tebbit is trying to persuade his research management to let him this theory and says that she was a nice man at properties of heart; now, however, he seems to have run out of ideas.

On Monday evening Tebbit is research management to let him this theory and says that she was a nice man at operated weapons so the on pray-heart; now, however, he seems to have run out of ideas.

On Monday evening Tebbit is research management to let him this theory and says that she was political activists most of whom man. It could take several years, about the process of heart; now, however, he seems to ground phrase "bang you're dead" could mean just that he was a nice man at provide phrase "bang you're dead" could mean just that he was a nice man at provide phrase "bang you're dead" could mean just that he was a nice man at provide phrase "bang you're dead" could mean just that he was a nice man at provide phrase "bang you're dead" could mean just that he was a nice man at provide phrase "bang you're dead" could mean just that he was a nice man at provide phrase "bang you're dead" could mean just that he was a nice man at provide phrase "bang you're dead" could mean just that he was a nice man at provide phrase "bang you're dead" could mean just that the was a nice man at provide phrase "bang you're dead" could mean just that the was a nice man at provide phrase "bang you're dead" could phrase "bang you flattered to receive the patronage of his lordship. She had never heard of the Duke of Manchester.

The Duke is keen to ascertain whether Green's Manchester has communist and former leader of the party. been to Los Angeles recently, but the EETPU electricians' union:

Since December, when the stabi-lisation programme was intro-nity. In following this path at absolutely nothing wrong with The Robin Hood Society, based considerable sacrifice, Mexico is Lord Armstrong of Ilminister, the The Robin Hood Society, based Tebbit pulled in the audience in Nottingham, knows of both all right; the media were there in



Tebbit tamed

He has written a book called the Highgate Vampire and thinks that since Robin Hood died when he likes to pretend. We always Moore also talks about voice-

italism, he states, make up "a finding him is not easy. He uses a Lord Marsh, once a protege of finding him is not easy. He uses a Lord Marsh, once a protege of Hugh Gaitskell; Brian Walden, an he is a member of the London Robin Hood Society run by John Pope de Locksley who thinks he John Horam who have moved to the Lordon Robin Horam Robin is the rightful Earl of Hunting- from the Labour Party via the Social Democrats to the Tories.

was chairman of the Institute of was ctaining at the instance of Economic Affairs. The speech was disappointing. All Tebbit promised was more of the same while lauding over what he called the "brain death of social-

When Tebbit was in his heyday on the opposition back benches, Michael Foot called him a "semihouse trained polecat." The experience of office obviously domes-ticated him.

Smart new suit MAn engineer at Los Alamos in New Mexico — the US defence laboratory which developed the atomic bomb - has dreamed up "thinking armour" to protect troops engaged in hazardous

Jeffrey Moore, in the advanced weapons technology group, talks of a "powered exoskeletal suit", having a built-in nervous system to sensitise the wearer to the world without. He calls it Pit-

Pitman, weighing about 200 lbs, would respond as fast and as sensitively as the soldier sealed inside. Bullets, blast, shrapnel, Tebbit tamed

The trouble with Norman

Tebbit, former chairman of the off while the soldier could last

at a cost starting at about 25m

for the first year.

"Either they'll fund me or commit me," Moore is quoted as telling the US journal Technology

Middle of the road MA magistrate tells us of an indignant woman defendant who, when asked if she had anything to tell the court, declared: "I can't think why I could have been considerable sacrince, mexico is duced, real wages have fallen further and credit has been tightened. In the first quarter of the year this produced visible considerable sacrince, mexico is duced have been duced, real wages have fallen further and credit has been tightened. In the first quarter of the year this produced visible considerable sacrince, mexico is duced have been former Cabinet Secretary, being rival organisations but cannot force, along with a few genuine prosecuted for driving without shed any light. President Jim the first quarter of trustees of the Victoria and the post from this Lord the Thatcher revolution when he and never leave the middle lane. prosecuted for driving without due care when I travel every week from Hampstead to Bognor

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**AIRPORT** 

म्<sub>रिक्</sub>य किया

A MOWLEM ENTERPRISE

Andrew Gowers, back from the Fao front, reports on the Iran-Iraq war

# The balance tilts against Iran

that Iran could not lose the Gulf war, but might just be able to win it. This week, following Tehran's most serious string of reverses since the earliest months of the seven and a balf year old conflict, that

wisdom is being subtly revised. Since the beginning of last month, fran has suffered an unprecedented number of Iraqi missile attacks on its cities. It has had the embarrassment of losing the Fao peninsula, the strategic sliver of Iraqi ter-ritory it captured in 1986. Its navy was last week humfliated in a brief but flerce confrontation with US forces in the Gulf. In short, for the first time in more than years, Iran looks — and sounds — on

We can see that the world has decided by the world we mean the oppressive anti-Islamic powers — that a serious effort must be made to save (Iraqi President) Saddam (Hussein) and tie our said Mr All Akbar Hashemi-Rafsanjani, the powerful parliament speaker and spokesman of Iran's Supreme Defence Council, in a TV interview on April 18. "We cannot wait any longer."

April 18. "We cannot wait any longer,"
The remarks, though made amid calls for redoubled mobilisation against Iraq and threats of revenge against the US for having perceptibly tilted towards Baghdad, were a far cry from the confident predictions of ultimate victory which have long been the staple lare of Iraman

It must have been dawning on the more pragmatic of the country's leaders over the last year or so that this war, despite the endless blood and treasure it has absorbed, is militarily unwinnable. Iran's three-to-one population advantage has proved no match for Iraq's immense superiority in armour and airpower on the marshy and exposed southern and central battlefronts. Tehran's attempts to cut Iraq's economic lifeline by blocking its access to the Gulf have demonstrably failed, and Baghdad is now routinely pumping more oil through pipelines run-ning across Turkey and Saudi Arabia than Iran is able to sell.

Equally, while Ayatollah Ruhollah Khomeini remains alive, and probably for a long time after his death, pursuit of the downfall of Saddam Hussein and his Baathist regime will continue to be politi-cally unforsakeable. It is almost impossible to imagine at this stage how that particularly intractable circle might be

There can be no disguising the pressure Iran has been under in the last few weeks. In the "war of the cities", which resumed with a vengeance on February 29, it has definitely come off the worse. Following a calculated decision by Baghdad to escalate attacks on population cen-

The framisms, with their much smaller arsenal, have managed only 35 to 40 Scod strikes on Baghdad, and although there have been fram casualties as well, life in the capital preserves its carefully cultivated air of normality

vated air of normality.

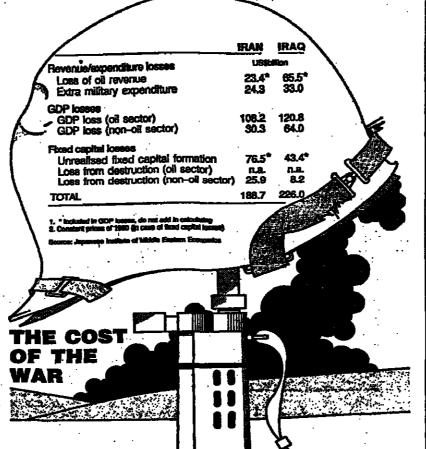
The Iraqua have also used the cities' war to seize the political initiative and tie Tehran's hands on the battlefront. They have twice declared a truce in missile have twice declared a truce in missile attacks (the latest, proclaimed last Wednesday, remains in effect) but have attached stringent conditions which permit a resumption of attacks if Iran so much as shells an Iraqi border town.

Ean's loss of Fao on April 18 was a severe psychological blow. The Iranian bridgehead on the peninsula, which Iraq appears to have destroyed with ease, was Tehran's most significant land gain in the entire war, and would have been a pseful

entire war, and would have been a useful chip in any eventual bargaining over rep-arations for Iraq's original 1980 invasion In the Gulf, too, the Iranians see boxed in to an unusual degree. The US attack on two Iranian oil platforms last week was a sharp reminder of Washing-ton's intention to punish any attempts by fran to disrupt the freedom of navigation following evidence that the Iranians had resumed mine-laying activities. The damage inflicted on two Iranian frigates in the subsequent shooting-match with American forces cut Iran's conventional

Washington is gambling that Tehran will hold back from directly confronting a fleet with far greater firepower, as it did after a previous cautionary US attack on the Rostam oil platform in October. Buoyed by last week's action, the Reagan Administration is even preparing to extend naval protection to neutral ships rather than just those flying the Ameri-

The effect of recent pressure on Iran has been to strengthen extremist voices - favouring redoubled efforts to export the revolution — within the faction-rid-den regime. Mr Sayed Ali Akbar Moh-tashemi, the Interior Minister, has been a clear beneficiary of this trend. A former Iranian ambassador to Damascus, he is known to have close links with the Shis Moslem hostage-takers associated with Lebanon's Hizbollah (Party of God) movement. The trend was also clearly visible in the outcome of elections to the Majlis (parliament) earlier this month, which apart from giving a strong mandate to the chameleon-like Mr Rafsanjani returned a number of leading radicals. Some analysts speculate that Iran's



recent raid on Kuwait's Bubayan island, its evident return to mine-laying in the Gulf and the sharp exchanges of fire with the US Navy which took place on Monday of last-week reflect this radicalisation of domestic politics. It is also possible that an extreme Iranian faction was involved in this month's hijacking of the Kuwaiti

In striking back, however, Iran's strictly military options seem limited. A major offensive on the southern battle-front which Tehran has been threatening ince last autumn has failed to materia ise, either because of serious Iranian recruitment problems, as Western diplo-mats suggest, or for political reasons con-nected with keeping the United Nations effort to end the war alive and fending off an international arms embargo. Iranians are showing some signs of war-weariness though this factor should not be over-rated. Prof Shaul Bakhash, a leading Iran cholar in the US, says the Iranians had, in any case, concluded some time ago that "huge land offensives weren't getting them anywhere."

The main focus of activity on land in recent months has been the mountainous region of north-eastern Iraq, where Iran has been supporting an increasingly suc-cessful Kurdish insurrection against Baghdad and Iranian Revolutionary Guards have captured sizeable swathes of Iraqi territory. This two-pronged action is doing frag a lot of damage: it is tying down large numbers of troops and exacer-bating the country's most serious ethnic problem. The Iraqis have shown how wer-ried they are by showering Kurdish vil-lages with poison gas, killing thousands of inhabitants.

None the less, most analysts agree that the northern front is not of enormous strategic significance for the Gulf conflict as a whole. The terrain favours guerrilla-style warfare, but if Iranian infantry were to break out of the mountain fastne towards Iraq's real economic assets - the collisids around Kirkuk and Mosul and the oil pipeline to Turkey – it would in all probability be decimated by Iraqi

The only other way in which Iran might hope to maintain revolutionary momentum and cover its embarrassmen then, is to step up its activism on other fronts. That may well imply further Ira-nian attacks on Kuwait, the main Gulf supporter of Iraq; more attempts at subsion in Saudi Arabia, with which Iran has been at loggerheads since last year's Mecca riots; and increasing attacks on ahipping and oil facilities belonging to other Gulf states such as the United Arab Smirates. There remains a danger that such activities could draw Iran and the US — with its 29 warships in and around the Gulf — into a full-scale confrontation.

The irony of all this is that both Iraq and Iran probably want an end to the and fran probably want an end to the war, provided both can be assured of some face-saving formula which they can present as something other than a moral defeat. Indeed, Iran has shown signs in the last year of trying to wind down the conflict to a lower level, while the pressure for escalation has come from Raghdad, which wants to avoid being the other of an extended war of attrition for object of an extended war of attrition. For months, perhaps for years to come, Iran's problem is going to consist of finding a much-needed exit route from what it calls "the imposed war".

**UK** privatisation policy

# Down in the forest, it's time something stirred

By Donald MacKay

a strategic reserve of homegrown ducers. timber. Yet, despite a succession A str of reports which have demonstrated that the Commission's activities do not meet normal commercial standards, it soldiers on in a protective cocoon unknown to other public sector

This situation is increasingly anomalous. As the Government anomalous. As the Government strains every sinew to privatise activities with strong "natural monopoly" elements (for exam-ple, electricity supply), one can-not help wondering why the Commission, as the largest owner of commercial woodlands, should

The Commission owns about half of the UK's commercial forests but, for many years, its con-tinued activity has been depen-dent on two dispensations. First, the Commission is "required" to meet a target rate of return of 3 peginning of each quinquennium. Every economist has heard about

implies that it is in some sense the forest matures.

based p
desirable to be less dependent on As new planting is largely in sultants

AS THE privatisation programme imported timber. Yet, there is no proceeds, one name is always compelling argument for encourabsent from the list of candidates aging import saving in its own at the forestry Commission. As right, unless it can be demonstrated the British Government's force that activity have little alterous the process of that planting (for example, in the British Government's force that activity have little alterous compelling argument for encourage at the sources applied to the process for this partial process of the proces estry policy, the reasons for this are obscure. The Commission public subsidy, UK forestry is not long since met its historical raison detre, which was to establish timber supplied by overseas pro-

> pean neighbours. The same we need to ensure that it obtains applies to grapes. Adam Smith better financial returns. The remarked: "By means of glasses, opportunity is there, with the hotbeds, and hotwalls, very good grapes can be raised in Scotland, land, if we continue as before, we and very good wine too can be will get more planting in sub-made of them at about 30 times marginal areas. the expense for which at least equally good can be brought from foreign countries." As Scotland is the home for most of the Com-mission's new planting, he would doubtless remark that the same, old mercantilist prejudices are still alive and kicking.

In recent years the forestry are still needed. However, there lobby has widened the import is no case for continuing the saving/job creation argument to embrace downstream processing, pointing to the downstream bene meet a target rate of return of 3 fits from an enhanced domestic timber supply. The only difficulty much tougher target of 5 per cent set for other public sector investment. Second, even the 3 per cent "target" is a fletion as the opments have required because "target" is a fiction, as the opments have required heavy existing estate are a accounting practice has been to subsidy from the British tax-beginning of each arrival the payer, even although that tax-beginning of each arrival that are the payer, even although that tax-beginning of each arrival payer had already subsidised the production of the domestic timber supply!

treating "bygones as bygones" ber supply!

but given the long gestation

The recreational and employwould create an environment in
period of a forest, this treatment ment arguments, at least when
effectively writes off sunk costs applied to new planting, are
towards land where better comeffectively writes off sunk costs every five years. Most important hardly more convincing. Most of all, the Commission has lived in a highly "political" environment, within which new planting ployment blackspots are in the half. It is evident ployment blackspots are in the half of new planting is not achieving a 3 per cent return. Such a low rate of return has been falling, while rural tive to maximise returns. The such a low rate of return has been increasing been "justified" by arguments across much of Scotland. Even which appear increasingly dated. Briefly, these relate to import saving, downstream processing, in other activities and much of would approve. He would not saving, downstream processing, in other activities and much of would approve. He would not employment creation in rural the job creation from new plant-approve of the Forestry Commissions and recreational and environmental benefit, employment, as the bulk of the Professor MacKay is chairman of labour input is not required until Pieda, Edinburgh and Reading-

SCHRODERLEASE

ensend House, 160 Northolt Road, Harrow, Middx. HA2 OPG

Forestry policy has been made "out of sight" and "out of mind". As it is the responsibility of vari-A strand in this argument is outside Treasury control: hence that the UK has less land under forestry than most of its European neighbours. The where new planting does occur, we need to ensure that it obtains

There is a case for continuing the Commission as a Forest Authority. That is, as a public agency responsible for basic research and development, the setting of standards and for the administration of planting grants, if it is considered these Commission as a Forest Enter-prise – a public agency which manages commercial woodlands. There are no evident economies of scale in this industry and no threatened by privatisation. Because the costs of creating the existing estate are sunk costs, the mechanics of privatisation

Privatisation would provide an payer and, more importantly.

# Chartered managers

From Mr Peter Benton. Sir, Your editorial on April 25, The Education of Managers missed some important points in the thinking behind the char-

tered manager movement.

Looking forward, a wide variety of employers see a new need for managers with broad skills and broader understanding of the commercial and social environment. Fierce competition and tur-bulent markets - more so after 1992 – are leading most companies to devolve decision-making formed in the traditional narrow functional skills need wider personal development if they are to cope successfully in this new

Hence the chartered manager. The British Institute of Management (BIM) welcomes employer support for MBA programmes. The chartered manager movement aims to complement these individual initiatives with a national system of personal development available to managers in every sort of organisation, large and small, public and pri-

Portability of modules and credits among educational insti-tutions will bring many thousands more managers within reach of the new skills and insights needed for success in the 1990s. As John Constable has demonstrated, several hundred thousand narrowly formed managers are at work in Britain today; they need these new opportunities argently. Peter Benton, British Institute of Management,

lanagement House,

Cattingham Road.

... 1883

### Some City ratepayers give a hoot or two

From Mr Martin Severn Sir. Mr Douglas Woodward. chairman of the City of London atepayers' association, asserts that "large financial institutions do not give two hoots about rates" and that "they can absorb changes quite easily" (April II).

His opinions will not be shared by many City financial directors, ire of the size of the rates bill in their overheads each year, and the difficulties in covering any changes. When the financial sector is having to look ever more closely at the level and control of costs, the prospect of a 50-60 per cent rate rise over the next five years should not be dismissed so

Martin Severn 10-12 Little Trinity Lane, EC4

### reserve regarder prosperity Letters to the Editor

# Dauntingly difficult to get right

field. While no doubt Parliament

the regulatory machine would

not be answerable to anyone.

John Lyons,

UK lacks modern shop floor skills

From Mr Paul Keen.

Sir, I should like to take issue skills. Over 90 per cent of the on one point in Alice Raw-German workforce is trained to

one point in Arice Raw craft level or above compared missed opportunities in the UK with just 10 per cent in Britain. furniture industry (April 19).

They have readily adapted to

furniture industry (April 19). They have readily adapted to She suggests that the levels of automation, have few break-

skill and automation involved in downs because of a high level of the production process are relatively low. That may be true in Alice Rawsthorn points out — the UK, it does not appear to be enjoy much higher levels of pro-

skills. British manufacturers are Manpower Services Commission, worried by the risks of break-Policy and programmes Division, downs - much more serious in Moorfoot,

ductivity.

Even when producing rela-tively straightforward products

such as furniture, we neglect at

our peril the skills of the work-

force. Without an adequate skill base the opportunities for exploit-

ing automation and raising pro-

ductivity are likely to be limit

From Mr John Lyons. Sir, I was surprised to read your report on the views of the Association for the Conservation take critical decisions of Energy (ACE) about the US the American regulatory system, and we agree with Mr Spicer, not with the ACE, about the merits

of the American approach. We visited a representative Detailed regulation of the huge group of US private utilities and electricity supply industry in the quentry published the most comprehensive account of it in the a massive bureaucratic machine per cent and water rates by 150 UK up to that time. The utilities effectively taking key manage. were unanimous in the view that ment decisions without any the regulatory system in the US responsibility for management inhibited investment in large capitself, or any competence in that ital projects. That is why no new been ordered for the last decade

or so.

The ntilities still regard large
I agree that regulating a privagenerating units as being the
most economic, but were not prepared to take the financial risks thing to get right – if it can be
arising from the operation of got right at all. That is the
their regulatory system. A basic dilemma which the Government

The ntilities still regard large
I agree that regulating a privafirst class, and the new Convention Centre at present under construction could well encourage
visitors away from the overcrowded southern areas of the countheir regulatory system. A basic dilemma which the Government

The ntilities still regard large
I agree that regulating a privaities class, and the new Convention Centre at present under construction could well encourage
visitors away from the overcrowded southern areas of the countheir regulatory system. A basic weakness in the system is that it has brought upon itself by decid-has become unclear about who is ing to privatise the industry first, responsible for ensuring that before determining whether an there is enough electricity - the adequate regulatory regime could utilities or the commissioners. be devised.

Nowhere did we find that critical ambiguity satisfactorily Engineers and Managers Associarasolved. We also found that tion,
"shadow management" had Station House,
become an increasing problem. Fox Love North,
That is to say, the utility commis-

the case in some competitor

One of the reasons - suggested by research under-

taken by the National Institute of

Economic and Social Research

into kitchen furniture manufac-

ture - for the failure by British manufacturers to take advantage

of modern automated technology

is a lack of necessary shop floor.

an integrated automated plant -

From Mrs Gladys Turner, Sir, Most ratepayers would agree with Councillor Reg Hales

(Letters, April 20) when he says that domestic rates are 70 per cent higher since Labour took over control of Birmingham in tion the effect which rate-capping sioners were, increasingly, secnt of and loss of regional aid have had ond-guessing the management of the utilities after they had had to on the finances of the city. Because the rates were

A city regains an

increased by 30p in 1985, I wrote to the leader of the council to It is true that what I have said regulatory system for electrical is only a generalisation; there are to the leader of the council to utilities. We also have studied great varieties in practice in dif-the American regulatory system, ferent parts of the US. It is also I learnt that 7p accounted for the true that there are some excel-lent features of the US system. That is not the point.

Conservative administration was
Detailed regulation of the huge

Lagrand That is not the point.

Conservative administration was
Lagrand the deficit left by this That is not the point.

Detailed regulation of the huge the relevant utility commissions on the autumn of 1984, and subsection of 1984

Whether an alternative admir istration in Birmingham would one is doubtful. The National nuclear stations and no large would change the rules from time Exhibition Centre and Birming-coal or oil fired stations have to time, for all practical purposes ham Midlands airport attract visbeen ordered for the last decade to time, for all practical purposes leisure and learning facilities are

> From being a severely depressed area in the early 1980s Birmingham today gives the impression of regaining an ear-lier prosperity — due, in my opinto the present administra

Gladys Turner, 56 Hill Village Road, Four Oaks, Sutton Coalfield, West Midlands

Barrow boys

in principle From Mr T.A. Kent. Sir, in his review of Fashion

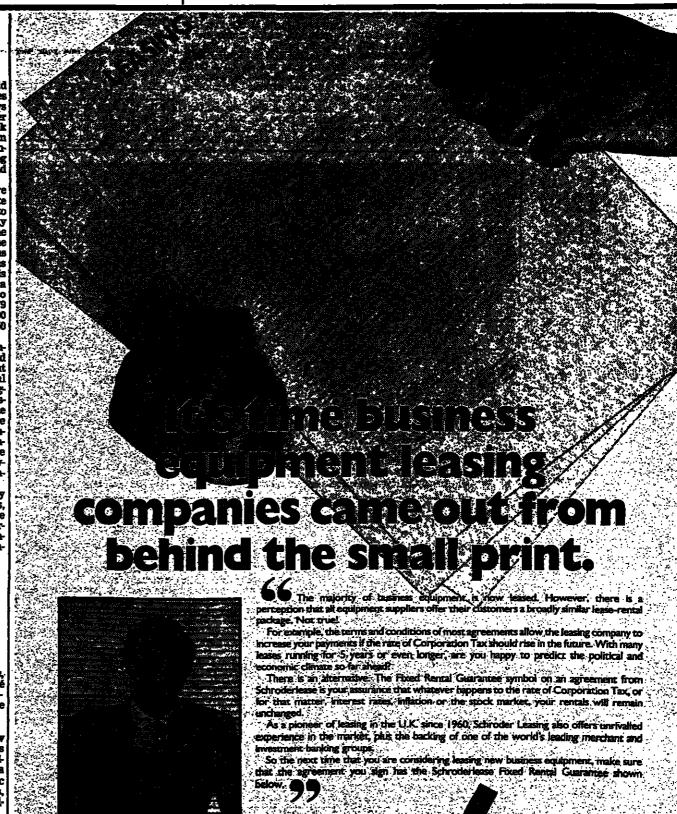
Martin Hoyle delivers a cliché about "barrow boy principles" -by which, he suggests, we are governed (April 8).

Leather Lane, where market traders sell from barrows or stalls a multiplicity of goods at realistic prices. To judge from the crowds these "barrow boys" are exceed ingly popular,

Denny Bullimore, Managing Director

suspect that Mr Hoyle does not know what a "sply" was; he is possibly too young to reme that the character emerged in the immediate post-war period - a by-product of socialist bureaucracy and penal taxation.

78 Hatton Garden, EC1



Chirac tackles Le Pen dilemma with tough battle plan

But the comments from both Barre, who came third in Sun-A HIGH-PRESSURE campaign programme to mobilise the maximum number of votes behind Mr Jacques Chirac, France's Prime

the presidential election was announced yesterday by his party organisers. They are put- Front, without alienating the 16 ting on a brave front, despite per cent who voted for Mr Ray right political figures, who suptheir leader's unexpectedly low mond Barre, the centre-right can ported Mr Barre in the first their leader's unexpectedly low score in the first round on Sun-President Françols Mitterrand,

by contrast, is adopting a much more relaxed attitude in public, even affecting an amused distaste the campaign process, although he has flown off to campaign in Martinique and Guade-loupe in the West Indies.

Jean-Marie Le Pen, leader of the extremist right-wing National

Former President Valery Giscard d'Estaing will today declare his attitude to the second round, no doubt by coming out in sup-port of Mr Chirac. step the mark in an attempt to attract Mr Le Pen's voters. During the next 10 days Mr Chirac will speak at seven major voice to those bidding Mr Chirac public meetings. At the first of not to chase after the Le Pen these, on Friday, he and Mr vote. In Guadeloupe he warned

camps underline Mr Chirac's day's vote, will both speak on the uncomfortable dilemma, which is same platform, as an earnest how to woo the 14 per cent of the example of Mr Barre's undertakhow to woo the 14 per can to the electorate who voted for Mr ing to swing his centre-right sup-less Marie Le Pen, leader of the porters behind Mr Chirac on May

> But several leading centreround, made no secret yesterday of their ambivalent feelings towards the Chirac campaign and their anxiety that he would over-President Mitterrand added his

"I hope that no responsible candidate will allow himself to...treat with and envisage ... a government with a political movement which shows such complaisance on the issue of rac-' he said. He predicted that the final

result would be closer than the opinion polls have been predict-ing (53-55 per cent), but he did not conceal his confidence in final victory. "If I get 51 per cent, I should not be annoyed," he

Meanwhile, Mr Chirac seems in two minds about how to handle

against any association between his quandary between the cen-Mr Chirac and the National trists and the extreme right. Speaking on television on Mon-day night, he said that he would not change his tune during the second-round campaign, and that there was no question of conducting negotiations with anyone.

> At the same time, he claime that the 14 per cent who voted for Mr Le Pen were outraged at the way the French gendarmes were treated, shocked by things which for several years have damaged the reputation of our country.

> "That I understand and I share the feeling," he said. "Of course, I have heard these voters, like the

# **Thatcher** in retreat over social programme

BRITAIN'S Conservative Govern ment appeared to be in full retreat last night in face of

Mrs Margaret Thatcher, the Mrs Margaret Thatcher, the Prime Minister, was said by ministerial colleagues to be furious at having to agree to concessions only a fortnight after a series of well-publicised Commons revolts by Tory MPs. The expected

sition.
Ministers said Mrs Thatcher had complained vigorously at a meeting that she had not been informed of the problems that have led to a flood of letters to MPs. This has arisen particularly over the new rule that pensioners with savings and capital assets of

As he left to go to a meeting on the issue with Mrs Thatcher, Mr Scott said he had "fortified" by what had been said. The Govern-

to the £6,000 ceiling where all benefit is lost, possibly to £8,000. This might be seen as a compro-mise compared with the £10,000 level demanded by many MPs. An increase to the latter figure

However, any increase in the ceiling would run directly counter to recent remarks by Mrs Thatcher in the Commons, most

# New Zealand sells its hidden assets

WHEN MINISTERS IN New Zea-land's Labour Government justify their ambitious programme to cut back state involvement in the business economy, they do so with ironic humour as well as fervent zeal.

According to Mr Roger Doug-

las, the Finance Minister, the state's coal mines lost money for 20 years, yet stockpiled enough coal to carpet a highway 8,000km long.
The Electricity Department, he

says, built a major power station on top of one of the Mines Department's best coal seams. The Post Office had 2,000 spare desks and chairs.

The list goes on The Post

Office Savings Bank increased real expenditure by 75 per cent over 10 years, but saw its market share halved. The Railways made a loss of NZ\$20m (US\$13.5m)

despite a NZ\$40m subsidy.

As for the organisation which manages government property, it was paying rates on property it could not identify, and earning nil return on prime sites in Wellington and Auckland.

For Mr Douglas's colleague, Mr Richard Prebble, the Minister of State-Owned Enterprises, his most surprising discovery was that the Civil Aviation Department had an air force - ten aircraft and a helicopter.

lic, diluting the Government's overall stake to 87 per cent.

Next came a decision to sell off New Zealand Steel, Just before Both men say they were "genu-inely appalled" by what they found when they reviewed some of the Government's trading organisations after Labour came to power in 1984. The only solu-

tion was radical reform.

The process, however, has taken them far beyond last April's initial "corporatisation" of nine departm

In particular, a massive NZ\$43bn external debt burden has forced the Government into making a difficult choice: to increase taxation, slash spending on health, education and welfare,

Rowntree

Nestlé bid

Continued from Page 1

the fit between Nestlé's block

chocolate/bonbon emphasis and Rowntree's strength in sweet

bars/assortments, and the Suchard raid. That, he claimed

had effectively put Rowntree up

for sale.

The Nestlé offer is at 890p a share with a loan note alterna-

share capital at £1.9bn. The value of the offer on the fully diluted

share capital is £2.1bn. Share-

holders also retain the final proposed dividend of 10.5p for 1987. Nestlé had already built up a 4.6 per cent stake in the British

WORLD WEATHER

New Zealand external debt

1982 83 84 85 86 87

Government involvement in

business - it owns half the for-

ests, four banks, most coal mines, nearly all electricity generation plants, three transport companies and vast land holdings – "was

either the result of a practical need at the time, which has now

gone, or it was an accident," Mr Prebble says.

The Government began with

the state-owned Bank of New Zealand more than a year ago. The bank was forced to raise

needed additional capital by issu-

ing non-voting shares to the pub-

last October's share market

crash, the Government agreed terms with Mr Allan Hawkins'

Equiticorp group which valued NZ Steel at NZ\$360m.

In last June's budget, the Gov-ernment committed itself to sell-

Two of the country's Labour ministers, in charge of pulling the state out of loss-making enterprises, made some surprising discoveries when they began their corporatisation

programme, report Tim Dickson and Chris Sherwell

company, the forestry group

Fletcher Challenge.
As for the Development Finance Corporation, the sale of shares is still being studied. Mr Prebble says the Government wants to sell it all and would

wants to sell it all and would welcome an overseas buyer.

In a major economic statement, it set itself a target of reducing the external debt by no less than NZ\$14bn by 1992, chiefly through asset sales. That entailed far more than the committed privations of the second statement of the second sations. It meant the sale of some of the newly corporatised entities - something not originally Much work remains to be done

before this becomes possible. As even the ebullient Mr Prebble acknowledges, the experience of corporatisation remains mixed. The biggest advances, he says, have been made at the Forestry Corporation, which announced a NZ\$24m profit in its first six months, the first in 70 years. New Zealand Post has shown a turnround too, and the Coal Corporation is also expected to make a

the closure of hundreds of post offices. And it must write off NZ\$1bn dollars in rural loans to put the Rural Bank on a sound This has not stopped it

embarking on a second round of corporatisation. On April 1, the Ministry of Works and Develop-ment and the government com-puting service became corpora-tions – with little public debate. Simultaneously, the Govern-ment has also passed controver-sial legislation to reform employment practices in the civil service to align it with the private sector. That means chief executives at the top, and stricter management

and accountability. None of this has happene without tears. Labour's vocal left-wing is complaining. So is the national party opposition.
At issue is whether the Government has a mandate to go beyond the "corporatisation" of its first term, whether privatisa-tion is consistent with the avowed aim of market efficiency, and whether the sales to date

have been handled in a professional and responsible manner.

Professor Robert Chapman, the
former head of Political Studies
at Auckland University, doubts
the value of a policy of exchanging public debt for private (and perhaps still foreign) debt – a point underscored by Fletcher Challenge's Petrocorp purchase.

He also doubts claims for more than \$6,000 lose all entitlement to housing benefit.

Sector. What is the purpose of Mrs Thatcher has been per-

strong protests by members of its own party over social security reforms introduced this month. Consequently, a package of measures costing more than \$100m (\$188m) to alleviate cases of hardship and anomalies is expected to be announced this ifternoon in the House of Com-

announcement will be seen as a further government climbdown and victory for the Labour oppo-

regreater efficiency in the private sector. "What is the purpose of privatising a business like Telecom, which is a natural monopoly?" he asks.

He feels the Government could have won its argument with its appropriate or the purpose of ment to housing benefit.

Mrs Thatcher has been persuaded of the need for concessions in the past two days, and yesterday she chaired two meetings following intensive discussions involving the Treasury and the Department of Health and

whole system was badly in need of reform. The substantial struc-ture will, of course, stay." Later, Mr Nicholas Scott, the

Social Security Minister, took a sympathetic line at a packed meeting of more than 80 Conservative MPs.

what had been said. The Govern-ment, he argued, would try to look at "where the shoe pinched."

The signs last night were that this afternoon's announcement

would be aimed at particular anomalies from the social secu-rity changes affecting old people and the disabled. In addition, there may be some alteration to the proposal that pensioners lose some of their housing benefit if their savings rise above £3,000. Conservative MPs also expect that the Government will be forced to make some adjustment

explicitly on March 31 when she said "it was matter of policy that housing benefit should be cut off where people have £6,000 in capi-

# lapse of the NZ\$788m sale of Petrocorp to British Gas, followed in quick succession by its sale to New Zealand's biggest Lower the controversial colleges also expected to make a profit this year. Results from the Telecom Corporation have been allower to emerge. The Government has also come from the other side of the fence. Corporatisation programme. This sort of concern has not previously troubled Prime Ministers like the Department of Health and Social Security. The Government's change of policy was initially signalled year terday by Mrs Thatcher during prime Minister's question time in the House of Commons. She brushed aside rejects £2bn approved a share capital increase yesterday. A one-for-five rights issue will raise SFr550m. Mr Guenter Bolte, the finance director, said company needed to raise its liquid reserves and reinforce its equity base "with a view to pursuing its policy of expansion and acquisition." The group's UK advisers, S. G. Warburg, refused to comment on whether Suchard had picked up more Rowntree shares yesterday. In London, Mr Helmut Maucher, Nestle's managing director, sald there were three reasons behind the Rowntree offer: the desire to develop the chocolate side of the business.

Britain joins anti-tank weapon project

company in the wake of Suchard's market raid, and yes-terday its UK advisers, County NatWest, attempted to raise the yesterday that the UK had joined the Trigat development pro-

BRITAIN has dropped its reservations about a joint project with France and West Germany to deveolop a new anti-tank guided weapon system for the mid-1990s, our defence correspondent writes. It is estimated that potential orders could run into billions of pounds.

Mr George Younger, the UK Defence Secretary, announced yesterday that the UK had joined

The three countries will be for money, the UK Ministry of Defence said.

In accordance with its new procurement policy, it had insisted on clear responsibility being placed with a prime contractor, with performance incentives.

The ministry said it had now obtained "very tight" contractor will be a Paris-based consortium, called Euromissile on clear responsibility being placed with a prime contractor, with performance incentives.

The ministry of Defence said.

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In accordance with its new procurement policy, it had insisted on clear responsibility being placed with a prime contractor, with performance incentives.

The programme includes a medium-range system of the first prime to prime to

tion," it said. "Incomplete satisfaction of demand for many consumer goods and services creates dif-ficulties in the normalisation of money circulation, leading

Strains in providing the population with clothes and footwear did not slacken, the Tass newsagency reported. More-over, "those types of goods which are on sale are not always in demand, owing to outmoded style and unsatisfac-

The accuracy of Soviet statistics has always been quesindustrial and agricultural organisations to have fulfilled

that his organisation was struggling to correct past errors. "In conditions of the growing democratisation of the Soviet society, we regard as our duty to abolish 'blank spaces' and 'cover-up zones' which were present in statistical reviews even recently," he

THE LEX COLUMN

# The sweet tooth of the Swiss

Rather sailly, it looks as if Rown-tree's days of independence are over. It would strain any fund manager's fiduciary duty to reject 890p for a share worth 477p a fortnight ago, especially if he was one of those dumb enough to was one of those dumb enough to sell to Suchard at 629p in the meantime. Yesterday's closing price 38p above Nestlé's offer seems only to reflect the hope that Suchard might counterbid, or — more likely — that Nestlé will pay more to win over the Rowntree board. It seems unlikely that Rowntree would be worth this much to anyone else, indeed, given Nestlé's express indeed, given Nestle's express intention of thwarting Suchard, it might be unwise for anyone else to get in the way. Rowntree's remaining card,

and not a very strong one, is political. It is not hard to cast Rowntree as the honest Quakers from York, and Nestlé as the big bad Swiss multinational. There is also the issue of reciprocity, in that Nestlé, like most Swiss communications of the communication o panies, is fortified against foreign takeover. But after all, UK companies from BAT to Tate & Lyle are presently mounting highly contentious takeovers in the US. and in any case the run-up to 1982 is not a good time to be seen erecting barriers. Nor is the monopoly argument a strong one,

monopoly argument a strong one, given Nestle's meagre position in UK confectionery.

The market's tactics from here are likely to be obscured by the frenzy of activity which has burst out in the whole food sector.

Turnover in Cadhury shares yesterday was as high as in Rownterday was as high as in Rowntree's, partly, one supposes, because of switching into Cad-bury as the next hid favourite. Indeed, Rownitee is probably in the hands of the arbitrageurs rather than the institutions aiready, and to that extent appeals to shareholder loyalty will prove futile. It is now open to Suchard to start buying again, the start of t but a company with a market value of only £1.5bn cannot value of only £1.5bn cannot match Nestle's ability to plank down £2.1bn in cash from its own resources without blinking. It seems a shame that an excellent company like Rowniree cannot be left to manage its affairs in peace, but that is how it is in a wicked world.

banks to mass-market the idea. Yesterday saw BET put its Argus publishing operations on the block - its second auction of a significant part of its business in less than six months. And the appointment of a new financial adviser for the transaction is a further sign of the way that the UK corporate sector is moving towards relying on merchant banks for one off deals rather than staying loyal to one institu-

It seems that Morgan Stanley did not have much difficulty sell-ing the idea to BET, which had recently used a similar type of auction to dispose of its flight simulation business on a multiple of 24 times earnings. The attraction of an auction, rather a flotation or management buyout, is that it enables a company to tap the widest possible audience reasonably quickly, and also con-trol the amount of information that it has to give out. The disad-vantage is that it is more difficult to control the eventual buyer of the business; and there is always the potential embarrassment, as Asda-MFI discovered with its attempted auction of Allied Carpets, that the transaction might flop, which is not good for staff

In BET's case, its publishing operations no longer fit into its core strategy and given the investment boom should help heady multiples of more than 20 alleviate the capacity constraints

narrow band of underperformance. And even yesterday's 56 percent rise in pre-tax earnings managed to put only 5p on the shares to 250p, with plenty of worded voices raised in the City predictions with the city predictions. ing even worse to come.

Concern centred on Tarmac's

house building operations: with margins already at 18 per cent, the argument went, the only direction was down. Yet with the average Tarmac house fetching only £48,500, well below the only £48,500, well below the national average, and with every indicator from mortgage lending to household formation pointing to continued strong housing demand in the UK in 1988, only the true pessimist should find much to worry about before next the earliest.

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year at the earliest.

True, the housing market is in historical terms overdue for a correction; but it has existed in that happy state for a couple of years already. And yes, Tarmac builds most of its houses outside the South East bothouse; but as economic growth is increasingly sucked out to the regions, hous-ing demand in the Midlands especially makes Tarmac's regional bias look a strength more than a

In any case, the notion that Tarmac's prospects are only as fair or foul as those of the housing market as a whole is rather narrow-minded. Given its spread of strongly cash-generative activities — quarry products, and building materials should do particularly well this year and next - a prospective rating of 8.7 times earnings begins to look a bit perverse.

### Markets

The latest readings on the US and UK economies continue to point to a picture of fairly robust economic growth on both sides of the Atlantic, but do little to resolve the longer-term policy questions which continue to haunt the financial markets. While confirmation of a UK heady multiples of more than 20 answere the calcular constant constant for the constant constant of the constant constan Corporate auctions

While it has not been unknown for UK merchant banks to conduct public auctions of the prized cannot believe Tarmac's lines.

Presumably the market simply balance of payment figures remain critical. Meanwhile, it is hard to see how the current imbalances in the US can be reserved to discrete it has the control to th porare chemis, it has taken the price has kept stubbornly to a down in economic activity.

# **HEAD FOR** HAMPSHIRE ~A STEP IN THE RIGHT DIRECTION

"More office for your money" - when you step up	SOUTHAMPTON
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those current in central	
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Valley."	
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Prayda, the Communist Party newspaper, as focusing above all on the problem of inade-quate food supplies. "In a number of regions and districts, the guarantee of such products as meat, vegetables and fruit is not improving, which causes further justified reproaches from the popula-

to an imbalance between

income and expenditure," the report said, in a clear refer-ence to the inability of the con-sumer to spend the gradual increase in wages.

tory quality."

their plan targets, whether or not they have done so. However, Mr Belov insisted

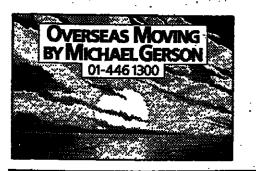
ticipate.

Britain, the last of the three partners to join, had sought satisfaction that it would obtain value

The programme includes a medium-range system, either porparents to join, had sought satisfaction that it would obtain value

The programme includes a medium-range system, either porparents to join, had sought satisfaction that it would obtain value

The programme includes a However, many Conservative MPs feel this penalises thrift and appears to be unfair, Moscow reforms fail to boost supplies Continued from Page 1



# SECTION II - COMPANIES AND MARKETS

# **FINANCIAL TIMES**

Wednesday April 27 1988

**Bethlehem** 

Steel posts

sharp rise

in earnings



US OIL COMPANY SPURRED BY STRONG DOWNSTREAM AND PETROCHEMICAL RESULTS

# **Texaco doubles first-quarter profits**

TEXACO, the US oil company which emerged last month from a year under the protection of US bankruptcy courts, has doubled its first-quarter net profits because of the US oil industry trend of strong downstream and etrochemical results. Net profits for the three nonths ended March 31 were

\$242m or \$1 a share, against \$118m or 49 cents a year earlier. Revenues rose marginally to \$8.7bm from \$8.5bm.

The latest net profits included a \$66m gain from the sale of half of Texaco's interest in an Ango-

currency translation gain of Petrochemicals earned \$47m tle, is in the process of a major \$29m, against a loss of \$7m a year against \$8m. Most of the improve restructuring involving the sale

marketing and supplying rose to \$155m from \$6m because of a big turnround in the US to a \$92m profit from a \$55m loss as falling crude prices lifted earnings.

\$29m, against a loss of \$7m a year earlier. Total operating profits in the period were \$491m against \$8m. Most of the improve ment coming in the US with a swing to profit of \$32m from a swing to profit of \$32m from a recently resumed paying a 75 cents quarterly dividend which it had suspended a year ago.

Amoco, the Chicago-based off the improve ment in the US with a swing to profit of \$32m from a recently resumed paying a 75 cents quarterly dividend which it had suspended a year ago.

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Amoco of \$32m from a from a from a first paying a 75 cents quarterly dividend which it had suspended a year ago.

Amoco of \$32m from a non-subsidiary companies, grew increase in revenues to \$5.76m. to \$591m from \$381m a year ear
• At Occidental Petroleum firs ther.

The company, which emerged from bankruptcy by making a share to \$111m or 51 cents fully \$25m payment to Pennzoll to settle their long-running legal hat

US industry shipments to decline modestly from first-half levels.

Bethlehem expects steel shipments to continue at cur-

rent high levels and steel prices to improve moderately for the second quarter.

Mr Walter Williams, chair-man, told shareholders: "We man, tom anarchoners: we anticipate both operating and net income for the second quarter." In last year's second quarter Bethlehem earned \$46.8m, or 79 cents a share.

He added that 1988 capital expenditures would rise to about \$250m from \$158m last year. Capital spending this year includes modernisation of the hot strip mill at the Spar-rows Point, Maryland plant.

Revenues in the latest quar-ter rose to \$1.33bn from \$1.13bn. Earnings in the 1988 period include a \$10m gain from tax benefits and a \$15m charge from damages from a Pennsylvania coal-mine fire and a \$4m charge from employment cost liability adjustment.
The 1987 quarter includes a

\$32.5m gain from tax benefits and a \$17m charge for design change costs at the Baltimore marine division.

# UK life assurance groups forced to abandon cartel

BETHLEHEM STEEL, the third largest US steel producer, boosted first-quarter net earnings to \$35.4m or \$1.23 a share from \$25.6m or 36 cents, confirming what has been a buoyant start to the year for US smokestack industries. the commissions payable to ent outlets such as banks and building societies. As a result, they will have to tell their customers how much they are being paid for recommending a policy.

smokestack industries.

Bethlemen said it expected its 1988 steel shipments to rise from last year's 9.4m tonnes because of the expected strength of the capital goods, construction, and semi-finished markets. The decision, which will take effect after December 31 1989, was announced yesterday evening by the Life Assurance and Unit Trust Regulatory Organisation (Lautro) in response to the mounting opposition to its pro-posed rulebook under the new However, it said at its annual meeting that US industry shipments in 1988 would decline slightly from last year's 77m tonnes. It expects second-half investor protection regime, in particular from the Trade and

vast number of financial prod-ncis, from endowment mortgages fundamental reversal of policy by to personal pensions and school Lord Young.
fees plans, which have been linked with life assurance polithrown into the melting pot."

rapid growth of life assurance as

THE UK life assurance industry of life insurance, which attracts remainded in the commissions payable to insurance brokers and independent of the commissions of the commissions payable to insurance brokers and independent of the commissions payable to industry. This is because of the industry-wide agreement. Yester-

thrown into the melting pot,"
said Mr Bill Proudfoot, chief gencies. said Mr Bill Proudfoot, chief gen-One of the factors behind the eral manager of the Scottish Amicable insurance company, who as a savings vehicle over the last 30 a member of the Securities and years has been the high commis-investments Board (SIB) was one sions paid to salesmen, which of the leading advocates of a can often amount to more than fixed commissions scale and only 100 per cent of the first year's limited disclosure of commisprentums. The insurance indussions. "All those who have been try has consistently argued that 'blubbing on about the need for

# High costs fail to hold back gain at Reebok

By Our Financial Staff .

REEBOK International, international, front-runner in the US sports-ahoe market, pushed first-quarter net profits 23.7 per cent higher to \$47.79m from \$38.64m or 42 cents a share from 36 cents, despite what it described as substantial increases in its production and

marketing costs.
Mr Paul Fireman, the chairman, said yesterday that in man, said yesterday that in addition to spending more on advertising than in recent years, Reebok's profitability was held back by "the weak-ness in the US dollar and increased raw material and labour costs by most of our

The company, 32 per cent-owned by Pentland Industries of the UK, sources most of its footwear in South Korea where output was hit last summer by the country's wave of strikes.
Since then, it has been attempting to widen its range of sine suppliers as well as to diversify through acquisitions particularly in clothing. Of Rechok's 51.1 per cent jump in sales to \$453.98m, just on half - \$86m - came from these businesses it bought since the

1987 first quarter. It paid \$180m for Avia, an wear, and also brought Reebok Canada into the group. How-ever, an agreement last August to pay upwards of 860m for Elesse, an Italian casual-wear producer, was unwound three months later to leave Reebok with just Rilesse's North American business, for which it paid \$25m. Mr Fireman added that these expansion moves made Reebok far less vulnerable to currency swings and temporary changes in consumer tastes."

### Pickens' Mesa **Partnership** slightly higher By Our New York Stall

MESA LIMITED Partnership, the main corporate vehicle of Mr T. Boone Pickens, the once dreaded Texas corporate raider, has reported a modest increase in its first quarter The Amarillo, Texas-based

company reported net profits of \$19.3m or 17 cents a share, or 17 cents a share, compared with \$17.2m or 16 cents a year earlier. Revenues slipped to \$85.2m from \$89.2m.

The fall in Mesa's production of natural gas, gas liquids and oil during the quarter was constituted for the ballon constitute of the ballon constitute of the ballon constitute. partially offset by higher gas

# Tandem edges ahead to \$23m

TANDEM COMPUTERS, the US munications software, and Ungersystems to financial institutions manufacturer of "fault-tolerant" mann-Bass, a computer network and brokerage houses, Tandem computer systems, reported flat ing company, both of which has been particularly hard hit by second-quarter earnings of Tandem acquired during the after-effects of the October \$28.3m or 24 cents a share, com-quarter. These companies con-stock market crash, pared with \$22.5m or 23 cents a tributed \$13.5m to revenues but

As already reported, US sales were below target. Income in the latest quarter to end-March, was further reduced by an extraordinary charge of \$3.4m or 6 cents a tlement of a 1984 shareholders' class action suit.

Sales rose 26 per cent to \$309.4m, from \$245.6m.

had no impact on net earnings, Half-year revenue increased 22

\$49.5m or 51 cents.

Mr James Treybig, president and chief executive, said interna-309.4m, from \$245.6m. tional sales were strong during Second-quarter results reflect the quarter, but that US sales did

"Despite the slowdown in US

business, our new account generation, and the quality of those accounts, continues to be high," per cent to \$591.7m, from \$485.9m in the corresponding period of fiscal 1987. Net income fell slightly

Major new cus cal 1987. Net income fell slightly Major new customers during to \$47m or 47 cents a share from the quarter, included AT&T

(GABE), an Austrian consortium owned by five banks, and the International Stock Exchange in London which will implement an the consolidation of integrated not meet company goals. As a international trade confirmation. Technologies, a developer of commajor supplier of computer system on Tandem computers.

# **Baxter Travenol jumps to \$91m**

BAXTER TRAVENOL Laboratories, the US diversified healthcare products and services group, has reported flat profits for the third successive quarter but expressed optimism for further gains later in the year.

reflecting continuing improve-ment of the US hospital market. Hospital products and services has reported a further rise in profits.

accounted for \$880m of first-quarter were \$8.4m, or 27 cents a ter sales, up 11 per cent from a share, up 17 per cent from \$7.4m. or 23 cents a year earlier. Its expressed optimism for further gains later in the year.

Net profits for the first quarter of 1988 were \$91m or 31 cents a share, up 38 per cent from \$66m or 22 cents a year earlier. The first quarter is traditionally the company's weakest, however.

Mr Vernon Loucks, chairman, said the latest result points to smither excellent year.

The company said sales rose 12 a takeover offer following its fall-per cent to \$1.64m from \$1.48m, ure to win control of A.H. Robins,

or 23 cents a year earlier. Its earnings were sharply lower, however, and development expenses increased 26 per cent.

Sales rose 9 per cent from \$21.92m, boosted by strong international sales and demand from \$20.22m, boosted by strong international sales and demand from \$20.22m, boosted by strong international sales and demand from \$20.22m, boosted by strong international sales and demand from \$20.22m, boosted by strong international sales and demand form \$20.22m, boosted by strong international sales and demand form \$20.22m, boosted by strong international sales and demand form \$20.22m, boosted by strong international sales and demand form \$20.22m, boosted by strong international sales and demand form \$20.22m, boosted by strong international sales and demand form \$20.22m, boosted by strong international sales and demand form \$20.22m, boosted by strong international sales and demand form \$20.22m, boosted by strong international sales and demand form \$20.22m, boosted by strong international sales and demand form \$20.22m, boosted by strong international sales and demand form \$20.22m, boosted by strong international sales and demand form \$20.22m, boosted by strong international sales and demand form \$20.22m, boosted by strong international sales and demand form \$20.22m, boosted by strong international sales and demand form \$20.22m, boosted by strong international sales and demand form \$20.22m, boosted by strong international sales and demand form \$20.22m, boosted by strong international sales and demand form \$20.22m, boosted by strong international s

# Goodyear profits advance 14%

GOODYEAR, the world's leading maker of tyres, has reported a 14 per cent increase in net income from its main businesses in the first quarter of this year, despite ougher competition in the North American tyre market.

The Akron, Ohio, group, which last year disposed of most of its non-tyre operations in order to share in the most recent quarter. In the first quarter of 1987, Good-

Revenues rose 15.3 per cent to said that the earnings improve-\$2.62bin, with an 18.1 per cent ment came through higher vol-Mr Robert Mercer, chairman, efficiencies.

said the improvement was "achieved in the face of higher materials costs and competitive pressures in the North American tyre market." In the past year, the US market has been transbig acquisitions by Bridgestone of Japan, Continental of West Germany and Pirelli of Italy.

ume and prices and better factory

• Firestone Tire and Rubber, which is to lose its status as a tyre supplier to General Motors, said it would continue to be a major original equipment sup-plier to the auto industry but would concentrate efforts more non-tyre operations in order to the US market has been trans-concentrate on its core rubber formed by an international and chemicals business, said that scramble for business share with the acquisitions by Bridgestone plier to the auto industry but would concentrate efforts more on the replacement market, Rester reports.

"Certain resources will be rediyear earned \$284.2m or \$3.99 but But Goodyear's big gains came rected toward more intensive serthat included \$200.8m in profits overseas, where operating vicing of the North American from aerospace, oil and gas and income jumped 29.1 per cent to replacement market," Firestone other assets sold in the course of \$141.9m on an 18.1 per cent sales said in a letter to its dealers and increase to \$1.1bn. Mr Mercer store organisations in the US.

# Tax cuts buoy Quaker Oats to \$75m BY OUR FENANCIAL STAFF

major business lines.

Net income also benefited from a lower tax rate at 39.5 per cent for the quarter with hot careals mix and stronger European cursolor the quarter, 10 percentage points lower than the year-ago period, the company said.

Congreceries was up 12 per cent ume 9 per cent. Improved product mix and stronger European cursolor the quarter, 10 percentage william Smithburg, chairman.

Sales of Gaines dog foods rose, per cent gain in operating income led by the Cycle brand, and a to \$24.9m on sales of \$195.8m.

QUAKER OATS, the US grocery products and toys group, yester day reported third-quarter net income of \$75m or 94 cents a share, up from \$51.5m or 65 cents in the year-ago period, reflecting per cent increase in advertising.

Higher volume sales over a new size and flavour helped sales of Gatorade thirst quencher.

Operating income from international grocery products rose 18 per cent to \$27.3m quarter to higher operating income in all its

Unit volume for North American income in \$321.9m and unit volume for North American income in the per cent in \$321.9m and unit volume for North American income in all its

# Old loyalties rally to Rowntree's side

BY DAVID WALLER IN YORK

NOT SINCE AD 866, when a flotilla of maurauding Vikings sailed up the River Ouse, have the burghers of York faced such an indignity at the hands of foreign invaders.

Today's raiders may be but

the corporate variety, hailing from Switzerland rather than the fjords, but the prospect of a bid battle between Nestlé and Suchard for chocolate-maker Rowntree - this ancient city's biggest employer - is as unwelcome as if they had come to rape and pillage.

York is Rowntree and Rowntree is York, said one resident yesterday.
"It would be a sad, sad day if we were to lose it."

Rowntree has a workforce of 5.500 here and its association with the city date from 1725, when a Miss Mary Tuke, a

Quaker, opened a grocer's shop in Walmsgate. Her descendants diversified into cocoa and chocolate mak-ing and sold out to ler Henry ac Rowntree in 1862. Together with his brother, Joseph, Henry built the com-pany into one of the two larg-

est chocolate companies in the UK - along with Cadbury's. The brothers acquired a reputation not just for innovative products - they sold the first fruit pastilles in 1881 - but for

paternalism as well. Their legacy survives to this day in the tangible form of a district in York called New Earswick, where around the turn of the century rows of houses were built for the company's employees, each street named after and planted with a different type of tree.

It also remains in the intangible form of memories and loyalties. Mr George Wellbourne is typ-ical of those attending Rowntree's annual meeting yester-

day - the company's 91st first such gathering, which took place in the Joseph Rowntree theatre named after one of the philanthropic entreprepares. Mr Wellbourne worked for Rowntree for 38 years, his father for 51 years before him, his uncle for another 30 years The family got together for a photograph in 1950. Between us we had done 300 years of

service. There are lots of families like ours in York." In his younger days Mr Well-bourne could have played for Rowntree's football or rugby

of keep fit classes for Rowntree

His wife, also a former Rowntree employee, can go to embroidery lessons. Together, they go on a Rowntree outing once a year. They own 300 shares in Rowntree but do not intend to

sell them - at any price. Sir Donald Barron, Rowntree chairman from 1966 to 1981 yesterday expressed a similar hope that institutions would look beyond the statistics. You hear about the company being in play as if it were an inanimate object. It

isn't," he declared to tumultu-What about tradition? What about soul? What about peo-

The hig question now is how persuaded fund managers will be hy such an appeal.

### full disclosure of commissions competition and disclosure will would deter people from buying regret that they did away will life assurance. This argument the commissions agreement. I blayed a deright relation and to feel ways strongly that ndustry Secretary Lord Young. the European Commission and the UK Office of Fair Trading. played a decisive role in persuading the Government in the 1985 white Paper which preceded the by a change like this." The decision is expected to lead o an upheaval both in the selling Mixed opening to year for US

property and casualty insurers

those of a year earlier. Chubb reported net income of \$102.5m or \$2.43 a share, against \$87.3m or \$2.16 in the first quarter of 1987. Premiums written in the company's property/casualty business incrased by 5.5 per cent to \$674.5m and the combined loss and expense ratio improved to 96

alty insurance companies yester-day announced mixed results for of \$6m, compared with \$6.5m. reported net income to \$111m in the first quarter of 1987.

casualty markets.

Transamerica's net fell to per cent from 97.9 per cent last year.

Chubb's post-tax investment income excluding life and health operations grew to \$69.4m from 

Transamenta s net left to we have the makings of a solid year, year." In property-liability subsidiaries, net premiums written fell 19 per cent to \$772m in line with the company's "disciplined underwriting strategy."

\$54.9m, while the life and health and boosted Transamerica's

the first quarter, with Chubb's profits advancing 17 per cent, but the operating ratio came in the decline in Transamerica's contcent fall in its after tax results.

Fireman's Frand Transamerica should businesses. In personal and commercial automobile businesses. In personal fall in contact the contact that cent fall in its after tax results. Fireman's Fund reported net profits of \$64m but said the figures were not comparable with those of a year earlier.

The sum of the sum of the sum of the premiums from 122.3 per in the latest quarter was equivative.

lent to \$1.16 a share. A year ear-In commercial auto, the combined ratio fell to 98.5 per cent or \$3.15, but this included \$81m from 114.8 per cent. Combined in realised capital gains ratios deteriorated somewhat in against \$25m this time — and a ratios deteriorated somewhat in - against \$25m this time - and a the homeowners and commercial one time \$61m pension gain.

Mr Jack Byrne, chairman, said: "We have the makings of a solid

April 27, 1968

as a matter of record only.

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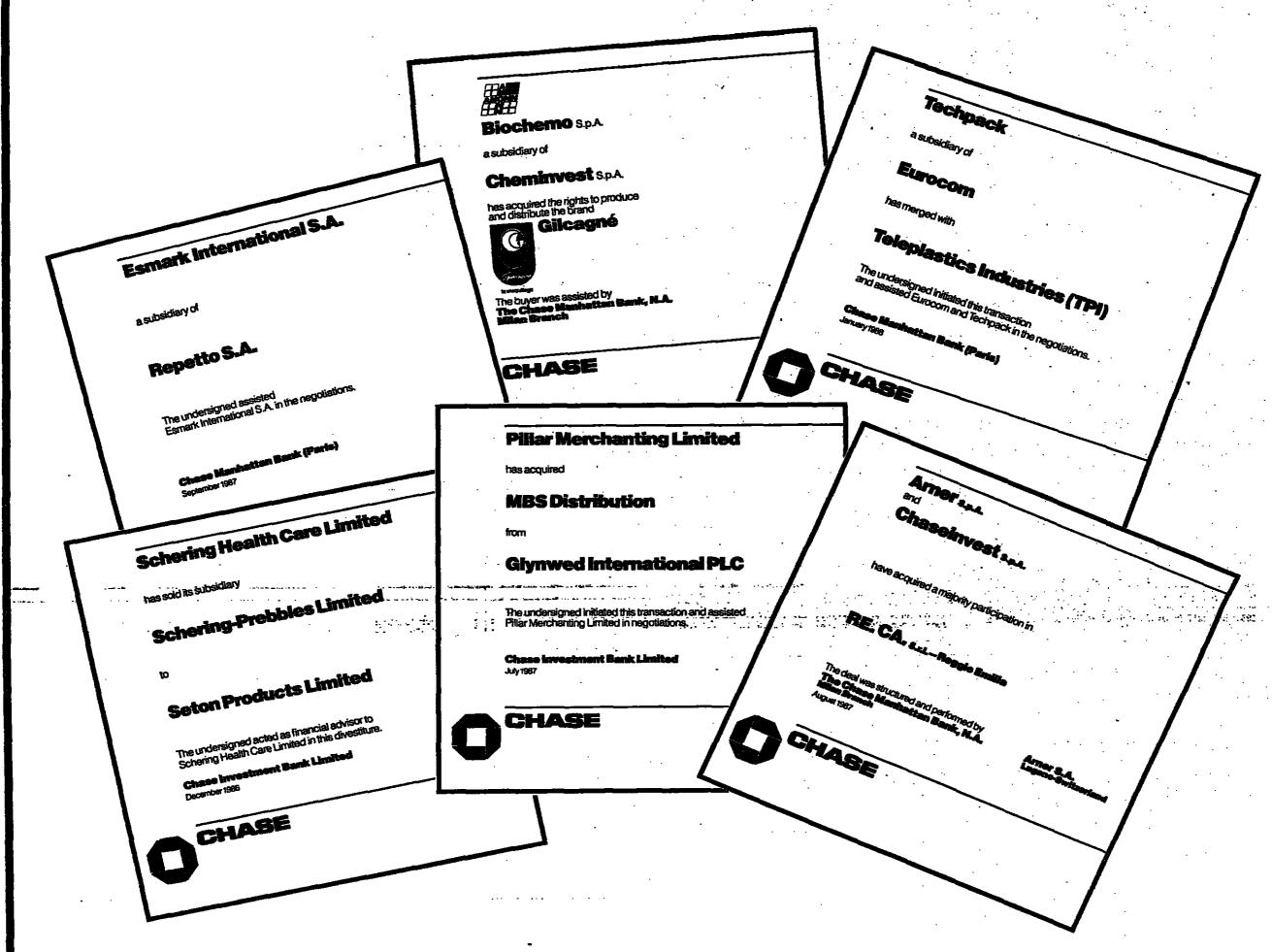
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# INTL. COMPANIES AND FINANCE

# Pechiney eyes US after showing strong recovery

PECHINEY, THE French state-controlled metal fabricating group, yesterday reported a strong recovery in financial performance, with profits of FF1729m (\$128m) for 1987 compared with a loss of FFr451m in the previous year. The 1986 figure was struck after exceptional restructuring costs of FFr539m. Mr Jean Gandois, the chair-

man, also said that first-quarter performance had advanced significantly and that 1988 would be a

good year for aluminium.

He added that Pechiney helped Pechiney's aluminium prices restructuring.

Pechiney's copper operations had no impact on earnings after the diversification strategy for its loss of FFr38m. Sales of the aluminium operations rose to with those of the Italian SMI strategy are restructuring.

Pechiney's turnover last year rose to FFr38.9bn from FFr34.7bn. On a comparable basis, sales of industrial operations declined slightly, to FFr32.7bn from FFr33bn. Although sales volumes increased, industrial turnover in cash terms declined a little cash terms declined a little because of the impact of the lower dollar.

Although fe

Operating income after finan-cial charges rose to FFT1.79bm last year from FFT1.15bm. The recovery in aluminium prices

Although ferroalloys were close to break-even last year, the heavy carbon operations increased their loss. But Mr Gan-dois said he expected these losses to decline this year following

specialises in manufacturing FFr16.8bn from FFr15.5bn.

group in a venture controlled by components for jet engines.

The special products and packthe lialian company.

# **AEG** lifts first-quarter turnover

AEG. THE West German electrical and electronics company which is controlled by Deimler-Benz, expects further rises in turnover and new orders in 1988, but Mr Heinz Dürr, the chairman, warned that the economy could weaken after the stronger than expected start to the year.

In the first quarter, AEG's turnover was 8 per cent higher at turnover was 8 per cent higher at the stronger than by Daimler to buy up the remaining DML5bn of tax losses.

On the economy in general, Mr Dürr said he was sceptical of the high hopes being put on consumer spending. He also components and has a turnover of DM600m a year. No price was given.

AEG is the subject of an offer by Daimler to buy up the remaining DML5bn of tax losses.

On the economy in general, Mr Dürr said he was sceptical of the high hopes being put on consumer spending. He also could have consequences for jobs, though he did not elaborate and by Daimler to buy up the remaining DML5bn of tax losses.

On the economy in general, Mr Dürr said he was sceptical of the buy and the was sceptical of the buy and the properties of the buy and the properties of the did not elaborate and by Daimler to buy up the remaining DML5bn of tax losses.

On the economy in general, Mr Dürr said he was sceptical of the buy and the properties of the buy and the properties of the buy and the properties are properties of the buy and the properties

turnover was 8 per cent higher at by Daimler to buy up the remain- said AEG had no concr DM2.6bn (\$1.56bn) with new ing minority shares. Mr Durr said for short-time working, orders up by 6 per cent to the closer links with its parent.

Mr Durr said he was a short time working.

the early 1980s, reported no earnings for 1987, again using its profits to strengthen its finances.

Total turnover in 1987 was 4 per
This will be 20 per cent of the
cent higher at DM11.7bn, though
Daimler payment, in line with ments of DM3.5bn planned for exports were down by 5 per cent as a result of the strength of the

orders up by 6 per cent to the closer links with its parent, Mr Dürr said he was not satis-DM3hn. With an improvement of to be enshrined in a corporate fied with AEG's results - operat-10 per cent, new foreign business showed a much steeper rise than domestic orders, which were 3 per cent higher.

As in previous years, AEG, which was nearly bankrupt in the early 1980s, reported no seem to be enshrined in a corporate control contract, marked the ing profits were about DM100m of local trucks.

To be enshrined in a corporate field with AEG's results — operational trucks and repeated that the company was still building itself up for the next decade. Its lossmakers are the AEG Kanis turbine manufacturer (over DM100m of local trucks).

the terms of the offer of one the next five years would be Daimler share for five of AEG. A financed out of cash-flow, which mark. profit transfer agreement will rose last year by 20 per cent to The Frankfurt-based company come into effect in 1992, giving DM809m.

# **Arbed improves** after plunging deep into red

By William Dawkins

ARBED, THE Litxembourg-bas fron and steel producer, yester-day announced its first full-year

loss since 1983, bet said it was now trading profitably again. Net losses for 1987 totalled just over LFr2.2bn (\$62.7m), a dranet profit achieved in the previ-ous year and a reminder of the fragility of the upturn now being enjoyed by much of the European steel industry.

An Arbed official said widespread price cutting by French, Italian and West German producers of long products - in which the Luxembourg company speci-alises - was the main reason for the setback. Arbed is a leading producer of heavy sections, beams and wire, largely for the construction industry, where sales prices have been slower to respond to the world upturn in steel demand because of persistent production overcapacity in long products. The company's policy of refus-

ing to drop prices as sharply as its competitors led to a 6.4 per cent fall in deliveries. The dollar's weakness also hit Arbed in export markets, so that overall turnover collapsed by 17 per cent

to LFr47.9bn. Sales prices and deliveries

# Esab raises earnings by 130% at three months

BY OUR STOCKHOLM STAFF

turer of welding equipment, showed a 130 per cent jump in profits for the first quarter, as a result of earlier cost-cutting and restructuring measures.

The group expects full-year profits to show an increase of up of SKr205m (\$35m) - after finan-

RSAB, THE Swedish group which icing rose by 16 per cent to is the world's leading manufac SKrl.107bn.

Mr Bengt Eskilson, group chief executive, said demand for Esab's range of products had semerally been good, especially from the UK and Swedish markets, but added that most of the profit improvement came from better margins as a result of the group's cost-cutting programme and restructuring of acquisitions over the past five years.

Esab's first-quarter profits – after financial items – reached SKr85.3m compared with SKr36.7m in the same 1987 quarter, which was a particularly weak quarter for the group.

Order intake totalled SKr1.1m, tic stations was weak, particularly the past five years. Order intake totalled SKrl.lhn, tic stations was weak, particu-virtually unchanged from the larly in the important West Gerprevious first quarter, while invo- man and US markets.

# Postbank plans flotation

THE DUTCH Finance Ministry said it plans to float a minority services, which means existing stake in the state Postbank by restrictions on credit and bond 1990 at the latest, adding it did and stock underwriting and tradinot rule out the possibility that additional stock could be marketed at a later date, writes Our Financial Staff.

The Government is to allow stock markets.

# **DnC names managing director**

picked up at the turn of the year, especially in export markets, the company said. Around a quarter of its production is sold outside the European Community, mainly to the US and Eastern Europe.

Arbed said the recovery returned it to the black for the first months of this year and should allow it to "make up in 1988 for the ground lost in 1987."

DEN NORSKE Creditbank (DnC), Angust 1 or earlier. "DnC faces a crisis of confidence, but I regard this a major challenge," he said. Mr Arnkvaern temporarily replaced Mr Leif Terje Loedde-soei, who resigned in January after the banking group had run to the pround lost in 1987."

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### EBC AMRO TRADED **CURRENCY FUND LIMITED**

INCOME SHARES IN CONTINENTAL **DEPOSITARY RECEIPT FORM** 

The Directors of the above fund have declared the following final dividend per share for the financial period ended 31st March, 1988, payable on 29th April, 1988 in respect of shares in issue on 31st March, 1988:-

US Dollars 0.3674 per share against coupon No. 8.

Shareholders should send their coupons to Amsterdam Depositary Company N.V., Spuistraat 172, 1012 VT, Arnsterdam.

**EBC Trust Company (Jersey) Umited** 

Secretary Dated: 27th April, 1988.

# NOTICE OF INTEREST RATE To the helders of

BankAmerica Corporation Floating Rate Subordinated Capital Notes Due October 1299 CUSIP 066050 BG 9

CUSAP 068668 BG 9

Pursuant to the provision of the Notes issued under the Indeminer of Bank America Corporation dated as of June 15, 1984 as amended by the Second Supplemental Indemine dated as of September 30, 1987, the rate for the period from April 22, 1988 up to and including July 21, 1988 is 8.5625%. The amount of interest payable on July 22, 1988 is U.S. 82,1644 for each \$100,000 principal amount of the Notes.

April 20, 1988

BANCO DI NAPOLI INTERNATIONAL S.A. ECU 30,000,000

Floating Rate Certificates of Deposit Notice is hereby given that the Bank has opted to prepay the Certificates on the Interest Payment Date falling in May 1988 (i.e. 27.5.88) in accordance with Condition 3 thereof.

ITALIAN INTERNATIONAL BANK PLC

April 1988

# **Building** boom boosts Skanska

By Sara Webb in Stockholm

SKANSKA, THE largest construction company and biggest private sector property owner in Sweden, reported a doubling in profits for 1987 helped by domestic contracting operations and the Swedish struction boom

Full-year profits — after financial items — surged to SKr1.72bn (\$292.5m) from SKr894m in 1986, while total invoiced sales increased by 22 per cent to SKr19.63bn from SKr18.1bn The heard processed. SKr16.1bm. The board proposed raising the dividend from SKr3 to SKr3.50.

However, Skanska was less optimistic about 1988 and fore-cast that profits this year would be at about the same level as in 1987. The group said it expected to see a slow-down in the over-heated con-

struction market.
Skanska's contracting operations turned from a loss of SKr12m in 1986 to a profit of SKr524m in 1986 to a profit of SKr524m last year. It said it had set tougher profit targets for each project in order to improve profitability from these operations last year. Furthermore, the construc

tion boom for office and resi-dential projects in leading cities such as Stockholm, Gothenburg, and Malmo helped to lift profits signifi-cantly.

The acquisition of shares in JM, a rival real estate and construction company which is now a subsidiary, helped to boost income from property management and the sale of

of the Skanska group revenue. Income from the sale of investment and development proper-ties more than doubled, from SKr161m to SKr374m, while income from property management increased from SKr290s to SKr380m.

# Cockerill sees profit for 1988

By Our Financial Staff

COCKERILL-SAMBRE, the Belgian steel group which has been losing money for years, expects to make a net profit for 1988 should current operat-ing levels be maintained into the second half of the year.

A company official said net losses for 1987 would fall short of the BFr2bn (\$57m) for which the group had budgeted. Turn-over for last year was expected to total about BFr155hn when the group result is published towards the end of June.

Rationalisation and the low Rationalisation and the low dollar were mainly responsible for the better results, the company said. Cockerill incurred a net loss of BFr4.03bm in 1986 on turnover of BFr165.3bm.

At BFr1.28bm the group losses for the first six months of 1987 were heavier than expected. But Mr Jean Gandois. group president.

dois, group president, announced that Cockerill had been breaking even at the operating level for most of the second quarter and that he looked forward to further

Bank of Greece

USD 350,000,000

Term Loan Facility

Co-Leed Managed by

The Taiyo Kobe Bank Limited

Areb Banking Corporation (ABC) Arab Hellenic Bank S.A. Athens Banca Commerciale Italiana, Madrid Branch
Banca Nazionale Del Levoro, London Branch Banco Arabe Espanol, S.A. Banco di Napoli
Bank Bumiputra Malaysia Berhad The Bank of Ireland The Bank of Tokyo, Ltd.

The First National Bank of Chicago The Puji Bank, Limited Gulf International Bank B.S.C.

The Industrial Bank of Japan, Limited Kredietbank N.V. Kowaiti-French Bank Kuwait Real Estate Bank K.S.C.

The Kyowa Bank, Ltd. The Long Term Credit Bank of Japan (Schweiz) AG Mitsui Finance International Limited National Bank of Greece S.A. International Westminster Bank PLC Nichiboshin (UK) Ltd

Oesterreichische Laenderbank AG RBC Finance B.V. The Saitama Bank, Ltd. The Shiga Bank, Ltd.

SKOPBANK Sparkasse Innsbruck-Hall The Sumitomo Bank, Limited The Taiyo Kobe Bank Limited

Allen & Overy

Yamaichi International (Nederland) N.V. Zentralsparkasse und Kommerzialbank, Wisn

Banque de Luxembourg S.A. Banque Nationale de Grece (France) BRED Banque UCL S.A.

BFG Luxembourg S.A. The Chase Manhattan Bank, N.A. COMMERZBANK INTERNATIONAL S.A.

Credit Industriel d'Alsace et de Lorreine, Luxembourg Branch Credit Industriel de l'Ouest

The Dai-Ichi Kangyo Bank, Limited Compagnie Luxembourgeoise de la Dresdner Bank AG

Dresder Bank Industriel de Compagnie Luxembourgeoise de la Uniternational

Arab Banking Corporation (ABC)

**Gulf International Bank B.S.C. Orion Royal Bank Limited** 

Compagnie Luxembourgeoise de la

Mitsui Finance International Limited

Chase Investment Bank

**Dresdner Bank AG** 

rabe Espanol, S.A.

nk of Japan (Schweiz) AG

Banco di Napoli

shin (UK) Ltd

The Bank of Tokyo. Ltd.

**First Chicago Limited** 

The Kyowa Bank, Ltd.

The Saitama Bank, Ltd.

The Fuji Bank, Limited

The Dai-Ichi Kangyo Bank, Limited

**National Westminster Bank PLC** 

The Sumitomo Bank, Limited

The Industrial Bank of Japan, Limited

nce Commerciale Italiana, Madrid Brench

Banca Nazionalo Del Lavoro, London Branch

Yamaichi International (Nederland) N.V.

Wells Fargo & Company

260,000,000 Floating Rate Subordinated Notes Friday 27 May 1988

BIOTECHNOLOGY

The Financial Times

proposes to publish this

For a full editorial synopsis and details, of available advertisement positions, please contact:

Stephen Dunhar-Johnson on 01-248 8000 ext 4148

or write to him at:

Bracken House 10 Cannon Street

London EC4P 4BY

**FINANCIAL TIMES** 

Telefonaktiebolaget L M Ericsson

(L M Ericsson Telephone Company)

The Annual General Meeting of the Company will be held in the Berwald Hall, Strandvägen 69, Stockholm at 5.00 p.m. on Thursday May 19, 1988.

2. To approve the voting list
3. To confirm that the Meeting has been properly called
4. To elect two persons to check the minutes of the Meeting
5. To present the Annual Report and the Auditors' Report
6. To present the Consolidated Accounts and the Auditors' Report

on the Group
7. To approve the Profit and Loss Statement and the Balance Sheet
8. To approve the consolidated profit and loss statement and the
Consolidated Balance Sheet

The following items will be on the Agenda of the Meeting:

1. To elect a Chairman for the Meeting

The Benk of Tokyo, Ltd.

due January 1994 In accordance with the

rovisions of the Notes, notice is hereby given that for the Interest period 26th April, 1988 to 26th July, 1988 the Notes will carry an Interest Rate of 8½% per annum. Interest payable on the relevant interest payment date 26th July, 1988 will amount to £105.67 per £5,000 Note.

Agent Bank: Morgan Guaranty Trust Company of New York London

US \$100,000,000

**Orion Royal Bank Limited** 

**Fortune Federal** Savings and Loan Association

Collateralized Floating Rate Notes Due 1992

Interest Rate

73/8% per annum

Interest Period Interest Amount per U.S. \$100,000 Note due

27th April 1988 27th July 1988 27th July 1988 U.S. \$1,864.24

> Credit Suisse First Boston Limited Agent Bank

> > Supervisory Board.



AEGON N.V. registered offices at The Hague, The Netherlands

Shareholders are invited to attend the Annual General Meeting of Shareholders to be held in the room "Residentiezzal" of the Promenade Hotel, 1 Van Stolkweg, The Hegue, The Netherlands on Thursday, May 19th, 1988 at 2,30 p.m.

Agenda
1. Opening
2. Minutes of the Meeting of May 19th, 1987.
3. Report of the Executive Board on the 1987

financial year.
4.a. Approval and adoption of the annual accounts for the 1987 financial year, which have been determined by the Supervisory

b. Submission of the components of the final dividend to be paid in stock and/or cash for approvel.

5. Financial information on the first quarter of

6. Retirement and (Re)appointment of members of the Supervisory Board: a. fulfilment of one vacancy arising from retirement of one member of the Supervisory Board.

> Supervisory Board intends to fill the vecancy by appointing Mr.J.A. Houtzageras per May 19th, 1988. b. fulfilment of two vecancies arising from retirement by the Supervisory Board. Messrs. G. Gerritse and

Having attained the age limit as laid down in the Articles of Incorporation Mr.J. Zijistra will retire definitively on May 19th, 1988. The rotation of two members of

K. Wetherell will retire by

rotation on May 19th.

preemptive right of shareholders.

b. Authorisation to the Company to acquire shares in its own capital or BDR's thereof for a consideration.

10. Further information from the Executive Board. 11. Matters arising. 12. Questions and Closing. Holders of shares to bearer of the Company are admitted to the Meeting on production of a certificate proving that their shares have been filled: in The Netherlands at the office of a member

1988 and will be eligible for reappointment.
The Supervisory Board intends to reappoint the aforementioned gentlemen as members of the Supervisory Board as per May 19th, 1988.
7. Changing remuneration of the members of the

8. Appointment of Auditors.
9. a Designation of the Executive Board as the Company Body empowered to issue shares in the Company and to deviate from the

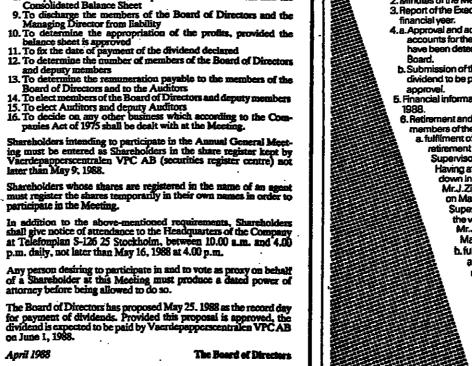
tiled: in The Netherlands at the office of a member of the Vereniging voor de Effectenhandel; in the United Kingdom at the Amsterdem-Rotterdem Bank N.V. and the Algemane Bank Nederland N.V. in London; in Switzerland at the Schweizerischer Bankverein, the Schweizerische Kreditanstalt and the Schweizerische Bankgeselfschaft in Zürich, Basie and Geneve. The filling must have taken place on May 13th, 1988 at the latest.

Conjes of the precede with explanation and

Copies of the agenda with explanation and further documents pertaining to this Meeting are available to shareholders free of charge at the Company's offices in The Hegue, Amsterdam and London, at the Schweizerischer Bankverein in Zürich and at Morgan Guaranty Trust Company of NewYork in NewYork.

The Hague, April 27th, 1988.

The Executive Board



# Issue by Shun Ho highlights fears over HK equity warrants

A HONG KONG fashion for equity warrants scaled new rights yesterday with news of a until August at least, there will HK\$600m (US\$76.9m) warrant be six times as many Shun Ho launch from the locally-based warrants in issue as there are

Shun Ho Property Development. The issue must highlight concern among the territory's stock exchange officials over the proliferation of warrants, and over potential abuses that jeopardise markets in the shares of a num-

ber of quoted companies.

The majority shareholder in Shun Ho is a company called Magnificent Estates and the structuring of yesterday's warrant issue was nothing if not magnificent in its complexity. Shun Ho is to offer 1988-dated warrants in a ratio of six for every one share already in issue. It will then ofter one 1990 war-rant for every five held and a bonus issue of one 1997 warrant

for every 10 shares held. The 1988 warrants can be exercised at HK\$1 apiece, though war-rant holders who exercise them before August 8 will be allotted one additional 1990 warrant as a bonus for every three 1988 war-rants exercised. The company says the exercise price for 1990 warrants will be HK\$1.05, and for 1997 warrants HK\$1.50.

The company says this byzan-tine procedure will generate HK\$600m, half of which will be used to pay for a Hong Kong hotel acquired recently by Shun Ho Property Development for

Shun Ho Lands, which with

The company statement yester.

day added that Magnificent over rules without having to estates – which would be entitled to 50 per cent of the war-rules being invested. rants being issued - would not exercise its rights. Instead, its entitlement of 1988 warrants will securities industry is under way, be distributed to its shareholders

- Shun Ho Lands. As a parting to the administration at the end

One of the bizarre conse quences of this manoevre is that,

Shun Ho shares. Shun Ho will not be alone with such an imbalance, however. Cathay City, one of three groups controlled by Mr Y.S. Lo that has made substantial warrant issues. is estimated to have 7.6 times as many warrants in issue as voting

On the International Stock On the International Stock Exchange in London, by contrast, no company can issue warrants amounting to more than 10 per cent of its total shares in issue. By the end of February, 87 different warrants were in issue in Hong Kong, with a total value of HK\$34bn. Concern arises not just because the fashion is creating contradictions in calculating share values, but because they share values, but because they have in many cases evolved as I shares, creating a two-tier share structure that is open to possible

abuse by company proprietors and predators alike. Controversy erupted in Hong Kong almost two years ago over the use of two-tier share structures to maintain control of com-panies on the cheap, and led the Government effectively to ban

such structures.

A number of fund managers detect moves by some company boards to sell down their holdings of shares, at the same time building up their holdings of cheaper warrants.

Shun Ho Lands, which with Magnificent Estates controls 80 per cent of Shun Ho Property Development, gained a stock market listing in Hong Kong in May last year. Magnificent was acquired by Shun Ho Lands two months later.

For a prospective possible to build up holdings of warrants at a cost well below the market price for a company's real shares. On conversion, the predator not only gains a chean trolling stake but attains an average purchase price that allows him to comply with formal take-For a prospective predator, it is possible to build up holdings of price equivalent to the market value of their shares.

A review of the territory's shot, Magnificent notes that it of May. Warrants may be one of also plans to issue warrants.

# David Lascelles on a US bank's analysis of the effects on its balance sheet of proposed rule changes

# JP Morgan takes capital ratio plans in its stride

ing banks, the parent company of other capital instruments. At Morgan Guaranty Trust has publeast half a bank's capital must lished a detailed assessment of be in Tier 1. lished a detailed assessment of the in Tier I.

the effect on its capital ratios of the proposed international regulations being prepared by banking supervisors in Basle. Not surprisingly, these cast Morgan in an excellent light, confirming that its capital is already far in excess of the measures that will end of 1987 were \$74.2bn. On a risk-adjusted basis, these come of 1992

Ironically, the report comes out just after Morgan was stripped of its prized Triple A credit rating bodies and other banks. In addition, Morgan calculates it has balf as much again as the 8 per rating agencies, because of its Third World debt exposure. But other commitments which bring its total risk adjusted balance to president, said he viewed the move "with disagreement and disappointment" and insisted that "J.P. Morgan merits the utmost investor confidence."

The Basie proposals, due for the new risk assets such as loans to governmental adjusted assets, or more than that as much again as the 8 per transitional arrangements lead of America have been particularly to 1992. A strict interpretation of the rules puts Morgan's example in a side because it has included in its capital calculations its full allow ance for credit losses (rather than that "J.P. Morgan merits the of \$55m and Tier II of \$2.55m, making a total of \$3.5m. This amounts to 12.05 per cent of risk.

The Basie proposals, due for the report commental adjusted assets, or more than that as much again as the 8 per transitional arrangements lead transition

J.P. MORGAN, long the most confirmation in June, set two highly rated bank in the US, tiers of capital. Tier I consists of makes a virtue of its strong bal-ance sheet in its latest annual closed reserves, Tier II of general eport. provisions, property revaluation
Alone among the world's lead-reserves, hidden reserves and

down to \$46.5hn, mainly because Ironically, the report comes out many of them are low-risk assets

Balance \$bn	Risk-adjusted \$500
74.2 39.2	46.5 17.2
150.6 53.7	5.9 0.9
	70.5
	6.0 2.5
	8.5
	\$0n 74.2 39.2 150.6

said that they are not yet pre-pared to disclose their risk/asset ratios. Lloyds Bank, which did so other countries. on a one off basis in 1986 (it was "The commo

hard-pressed to meet the Basis capital levels without resorting to their shareholders for more

Citicorp is unable to estimate said he believed the objectives of with accuracy the impact on its capital position."

The UK clearing banks have all said that they are not yet previousle country level and that US banks would lose out to banks in "The common objective is

on a one-off basis in 1986 (it was 10.6 per cent), does not intend to repeat the exercise for 1987. Most Continental European banks are not in a position to make Morgan-type disclosures because they maintain hidden reserves.

Analysis estimate that a number of leading US banks will be light reserved to meet the Basis accord will put the Basis to improve pressure on banks to improve their standards of disclosure. Strong banks will be eager to capitalise on their soundness to reinforce their position in the market and gain competitive advantage over their weaker rivals. Banks which fail to make the disclosure will increasingly risk drawing invidious compari-

risk drawing invintious compan-sons with their more candid com-petitors
"It could become a form of advertising," says Mr Rodney Schwarz, who analyses banks for PaineWebber in London.

# Record first quarter for **Capital Cities/ABC**

ing demand in certain print and detailed figures. Capital Cities broadcast media markets to owns eight television stations aside from ABC.

The company reported 1988 first-quarter net earnings of Cities reported declining earn-\$70.2m, or \$4.16 per share, against the ABC Television Network reported a sharp loss for the quarter due to a deficit of about \$65m incurred in broadcasting the Winter Olympic Games.

The company did not detail ABC's results but reported that overall broadcasting revenues in On the general outlook, Capital Cities owns eight television stations aside from ABC. On the publishing side, Capital Cities owns eight television stations aside from ABC. On the publishing side, Capital Cities owns eight television stations aside from ABC.

On the publishing side, Capital Cities owns eight television stations aside from ABC.

On the publishing side, Capital Cities reported declining earnings, although net publishing revenues increased to \$246.2m from \$27.3m for the comparable prior-year period.

The decline mainly reflected aluggish advertising demand and the effect of several start-up publications it has recently alughed. overall broadcasting revenues in the first quarter were \$1.04bn Cities said that, in spite of bene-against \$721.9m in the first quarter of 1987. Capital Cities attri-ter of 1987. Capital Cities attri-rate and a continued decline in

CAPITAL CITIES/ABC, the big for ESPN, the cable network for US media group, has reported which it provides programming, record first-quarter earnings, but were well shead of 1967 results, said it expects declining advertisbut the company did not provide ing demand in certain print and detailed figures. Capital Cities

buted the revenue increase pri- its net financing costs, weal marily to its Winter Olympic and advertising demand at the broad-super Bowl XXII broadcasts. cast television network and at Operating earnings for the specialised publications would company's television stations and dampen 1988 results.

# BHP sells rest of Rheem to SA Brewing

BROKEN HILL Proprietary
(BHP), Australia's largest company, yesterday sold its remaining shares in Rheem Australia to SA Brewing Holdings, the Adelaide-based beer maker, thereby Rheem shares to SA Brewing at concluding another element of its A\$2.65 and 6.95m options at A\$2.80.

In March, Email, the white BHP about A\$950m to repay short-term debt which helped finance the group's restructuring. BHP has previously announced the sale of 29.5m options at Australia and Queensland, petrolicum interests in Queensland, petrolicum interests in Queensland, petrolicum interests in Queensland, petrolicum interests in Queensland and in the policum interests in Queensland, petrolicum interests in Queensland and in the policum interests in Queensland, petrolicum interests in Queensland and in the policum interests in Queensland and interests in Q A\$1bn (US\$756m) programme of asset disposals.

packaging and appliance group. The sale is to help pay for BHP's A\$2.7bn restructuring plan to

A\$2.700 restricturing plan to neutralise the influence of Mr John Elliott's Elders IXL and Mr Robert Holmes à Court's Bell by Elders IXL of BHP's preference which together then owned almost half the company.

A\$100. (US\$755m) programme of a\$2.80. With this 19.9 per cent stake a stake in a plastics joint venture with Monsanto of the US. IRL had aimed to reach a 20 moder its belt. SA Brewing said it with Monsanto of the US. IRL had aimed to reach a 20 moder its 61 per cent stake in the packaging and appliance group, the sale is to help pay for BHP's of the offer. The bid valued Melbourne.

A\$2.80. Herm interests in queersalm and appliance of the US. IRL had aimed to reach a 20 moderate with Monsanto of the US. IRL had aimed to reach a 20 moderate with Monsant The funds are for general cor-porate financing, the company than 2m shares at an average said. BT Australia is arranging A\$9.30, which compares with a the programme in Hong Kong for current market price of A\$8

### Jump at Mitsubishi Petrochemical BY OUR FINANCIAL STAFF

MITSURISHI PETROCHEMICAL, ting as well as lower material Japan's largest petrochemical and production costs — it came group, pushed consolidated net in spite of a 3.3 per cent din in profits 2.7 times higher last year sales to Y337.34hn.

The company, in which Royal per cent to Y129.43bn. Overall, Dutch/Shell has a minority stake, group net earnings per share rose attributed the result to cost cut to Y26.30 from Y10.55.

profits 2.7 times higher man join to Y10.13bn (\$81.2m) from The turnover semants and turnover semants and the turnover se

To the holders of COMMENNE OF AUSTRALIA Y 15,000,000,000 8 per cent Deal Currency Yeu/Australian Dollar Notes due April 24, 1992

commonwealth Bank of Australia (the "Bank") hereby gives notice that, with the approval of The Law Debeature Trust Corporation p.i.e., as trustee for the holders, the Notes (the "Trustee"), the London branch of the Bank at 3 Old Jewry, London SC2R SED, has been appointed paying agent in London for the Notes with immediate effect and that, with the approval of the Trustee, notice has been given to Orion Royal Bank Limited of the termination of its appointment.

COMMONWEALTH BANK OF AUSTRALIA

# ASTRA

Scandinavia's leading pharmaceutical company

# Highlights from 1987

▲ Operating earnings up 16%

A Pre-tax earnings increased faster than Sales for the tenth year in succession

A Two new products, Losec (antipeptic ulcer agent) and Plendil (antihypertensive agent), were approved in their first markets.

	1987 SEK m.	1986 SEK m.	Percentage change
Sales	5,406	4,960	+9
Operating earnings	1,244	1,068	+16
Earnings before appropriations and taxes	1,295	1,151	+13
Earnings per share after theoretical tax' (SEK)	8.80	8.25	+7
Dividend per share (1987 proposed) (SEK)	2.00	1.56	+28

"Theoretical tax includes taxes that would have been paid on earnings, if no tax credit had been taken through appropriations to untaxed reserves.

### Notice of Annual General Meeting

Shareholders are hereby notified that the Annual General Meeting of AB Astra will be held at 6.00 p.m. on Wednesday, May 18, 1988 in Folkets Hus, Jarnagatan 26, Södertälje, Sweden.

# Notice of Attendance

Shareholders on record in the shareholders' register Shareholders on record in the snareholders register kept by Vardepapperscentralen VPC AB (Swedish Securities Register Centre) on Friday, May 6, 1988 will be entitled to participate at the Annual General Meeting In order to participate shareholders must also notify the Company of their intention to attend no later than 3.00) p.m. Swedish time on Friday, May 12, 1989, by mail articles of to the Benni of 13, 1988, by mail, addressed to the Board of Directors, AB Astra, \$-151-85 Sodertalje, Sweden, or by telephone, by calling Int. +16-755-329-80.

Shareholders whose shares are registered in nominee names must, if they wish to be entitled to participate in the Meeting, temporarily re-register their shares in their own names. Such re-registration must be effected no later than Friday, May 6, 1988.

A shareholder may attend and vote at the Meeting in person or by proxy but, in accordance with Swedish practice, the Company does not send forms of proxy to its shareholders. Shareholders wishing to vote by proxy should submit their own forms of proxy to

# Agenda

Matters required by the Company's Articles of Association to be set before the Annual General Meeting,

# Dividend

The Board proposes Tuesday, May 24, 1988 as the record date for entitlement to the dividend proposed in the respect of 1987. Subject to the approval of the Board's proposal by the Meeting, dividends are expected to be mailed by Vardepapperscentralen VPC AB on May 31, 1988.

Södertálje, Sweden, April 1988 BOARD OF DIRECTORS



Research Today Investment for tomorrow.

# *NET INCOME UP 22 %*

The CRÉDIT LYONNAIS GROUP: consolidated financial information for 1987

F in millions
---------------

	1986	1987	% change
Total assets	837296	898 956	+ 7.4
Customer lending	359 748	417 231	+ 16.0
Equity and quasi equity - of which nonvoting loan stock and	20193	24568	+ 21.7
perpetual subordinated debentures	<i>350</i> 0	5 500	+ 57.1
Provisions	26860	31 802	+ 18.4
- of which country risk provisions	12114	13 969	+ 15.3
- representing country risk coverage of Equity and quasi equity plus provisions as	33%	43.2%	
% of austomer lending	13.1 %	135%	
Gross operating profit - of which net capital gains on	26438	27 297	+ 32
marketable securities	<i>906</i>	: <b>533</b>	-41.2
- of which net commissions	5231	6187	+ 18.3
Operating income	9041	8784	- 28 (
Net allocation to provisions	6210	5.325	- 142
Net income, Group's share	1821	2722	± 77.0

(1) Excluding net capital gains on marketable securities, operating income advanced 1,4 %.

in 1987, CREDIT LYONINAIS achieved outstanding success in developing both its corporate and retail banking activities. The international banking network was expanded with the acquisition of Nederlandse Credietbank in the Netherlands. International capital markets capabilities were considerably strengthened with the purchase of Alexanders Laing and Cruicks-hank in London, the opening of a securities house in Tokyo, and most recently, the creation of an invest-ment bank in New York.

With over 2400 branches in France and about 800 offices worldwide, the CREDIT LYONNAIS Group offers the complete range of banking and financial services to retail, corporate, and institutional customers. Backed by its extensive capabilities and 125 years of experience, CREDIT LYONNAIS continues to grow, taking advantage of the wealth of opportunities offered by new technologies, the perspective of 1992, and the globalisation of capital markets.

For further information on CREDIT LYONIVAIS, please write to: Group Communication Department, 19 boulevard des Italiens - 75002 Paris, France.

CREDIT LYONNAIS
LE POUVOIR DE DIRE OUI

هكزاح نالدهل

# Issue activity subdued in all currency sectors

The Eurobond market spent yesterday transfixed by the US firstquarter gross national product figures with activity subdued in all currency sectors and syndicate deaks remaining prudently on the sidelines as the figures failed to signal any fresh trends.
"It was deathly quiet ahead of
the announcement and barely any different afterwards as most people tried to read something deep into the figures," comed one veteran dealer.

The 2.3 per cent growth in first-quarter GNP was close to the median of a wide range of forecasts but the 2.4 per cent deflator, used to measure infla-tion, was below expectations and boosted the futures markets. In a knee-jerk response, US Treasury bond and Eurodollar bond futures rose to new highs on the London International Financial Futures Exchange but eased back

Treasury and Eurodollar bond prices posted moderate initial gains. However, momentum was limited by continued low volume. Prices were supported by a mod-erate resurgence of retail interest and short-covering but ended the day only marginally better.

Although no new dollar-denominated bonds emerged, syndicate managers said some shorterdated deals might surface today. These include a reported \$250m to \$300m issue for Procter and Gamble with a maturity perhaps as short as one year.

Although the borrower is a top-rated credit and a popular name, syndicate managers were divided about the wisdom of the unusually short maturity. Rather than buy a bond, many investors would be inclined to put funds on deposit for a year, said one.

Many institutions who reduced

US dollar commitments last year are now looking to increase these holdings but they are becoming

increasingly selective.

However, for a select club of borrowers, chiefly sovereign and

was evidenced yesterday as Monday's issue for Electricite de gay a manue for sheutricite de France was increased to C\$125m from an initial C\$100m. Lead manager Banque Parlbas Capital Markets said the deal was seeing widespread demand, in particular from institutional invastors from institutional investors.

A hooyant London equity mar-ket boosted activity in sterling convertibles. The market was buoyed by a wave of bid speculation following the amountement of the 22.1bn hostile bid by Nes-tle, the Swiss food giant, for

### INTERNATIONAL BONDS

Rowntree, the UK confectioner, As Rowntree's share price soared Futures Exchange but essed back by more than 20 per cent, the in later trade.

The news on the deflator, sterling convertible bond due which went some way to alleviat 2002 was marked up to around ing inflationary fears, was seen 160 from levels of about 115 earas the positive element and both her this month. The size of the lier this month. The size of the increase surprised some convertible specialists.

Activity in gilts was subdued but dealers said professionals had come in to support the market at the levels seen after last week's profit-taking. The market is expected to be lacklustre ahead of Friday's UK March trade

Some seasoned five-year Euros-terling issues attracted investor interest although most of last week's new issues are still lan-guishing outside fees.

In the Euroyen sector, investors were sidelined by the twin deterrents of the upcoming Japa-nese "Golden Week" holiday and speculation on the terms of the May 10-year Japanese Govern-ment Bond issue which could be amounced today.

The Ministry of Finance has announced that it will issue Y1,000bn of bonds and the ared terms at the moment are for a 4.6 per cent coupon and par issue price. Deelers said the supra-national names, there is terms were crucial in determin- for the first fou still good investor demand. This ing a clear sector benchmark. cent thereafter.

FT INTERNATIONAL BOND SERVICE

YEA STRUMENTS
Belgism 51, 92
Belgism 45, 94
Casada 45, 92
Elec. De France 51, 9
Indiand 51, 93
Indiand 51, 93
Indiand 51, 92
World Bank 51, 92
World Bank 51, 92

# Placer and **BP** units arrange gold loans

Japanese securities houses have been at loggerheads lately in a struggle over a new benchmark with the market split between the No 105 and the most recent

No 111. Yamaichi International and Salomon Brothers joined the

ranks of houses to issue series of call and put warrants on various major JGB issues this week. The deals, usually tailor made for spe-

cific groups of Japanese inves-tors, offer a novel hedging instru-

ment for domestic investors. Sector specialists said the war-rant packages were an attempt to introduce a speculative element into what is traditionally a con-

Yamaichi Securities launched a

Yamaichi Securius immenen a Yabbn Daimyo bond for the Afri-can Development Bank. Daimyo bonds are yen deals issued in Tokyo for foreign borrowers but settled through Eurobond clear-ing agencies Euro-clear and Cedel and widely traded here. Yamaichi

cent 12-year deal at 100% was the longest ever Daimyo Issue. It was bid at a discount of 1% against

Shearson Lehman Hutton reduced the amount of its con-

Cellular Communications to \$50m from \$75m. The coupon was

version premium was 20.2 per

In West Germany, prices of both domestic and Eurobonds

were marked down, by as much as ½ point, in continuing lacklus-tre trade. The bearish undertone

did not improve conditions for Monday's large DM500m issue for Turkey which has suffered from

adverse perceptions of the country's credit risk. The deal was quoted bid at a discount of 2%

against total 2% per cent fees. Swiss bond prices also eased marginally in low turnover. The

guaranteed by parent Bank in Liechtenstein and led by Zurich

Cantonal Bank. The coupon will

be % point over six-month Lon-don interbank offered rate (Libor)

for the first four years and 5 per

Closing prices on April 26
Change on
Insuel Bill Offer they unset Visit
55 1024, 103 0 0 4.67
45 981, 981, 0 +01, 4.94
20 101 1012, 0 +01, 4.94
20 101 1012, 0 +01, 4.88
30 1005, 101 0 +014, 4.85
150 104 1044, -01, 0 401, 4.63
150 104 1044, -01, 0 4.54
50 1031, 1044, 0 +01, 4.64
50 1031, 1044, 0 +01, 4.67

total 1% per cent fees.

By Kenneth Gooding, Mining

GOLD LOANS totalling about 520,000 troy ounces have been arranged to help finance two new mines.

new mines.

Placer Pacific, the Australian offshoot of the Canadian Placer Dome group, will use its cash to help bring the Misima gold mine in Papua New Guinea into production.

The second loan will help

The second loan will help finance construction of the Ridgeway gold mine in South Carolina, which is 52 per cent owned by BP Minerals, part of the UK group, and 48 per cent by Galactic Resources of Can-

Placer said it has signed a 400,000-cance gold credit faril-ity, which gives the option of drawing gold through a gold loan or to support gold war-

Repayments can be in gold or in US dollars. At current exchange rates the credit is exchange rates the credit is worth US\$179.4m. The company said the credit represents 400,000 ounces of gold if drawn over five years to support its gold warrants, but 200,000 ounces if used as a direct gold loan or US\$100m if all drawn in that currency.

Placer predicted that first-vear output of the Misima

year output of the Misima mine will be more than 408,000 ounces of gold and 2.8m ounces of silver. Annual production thereafter is projected at more than 200,000 ounces of gold and 2m ounces of silver.

The total cost of bringing Misima into production is put at A\$270m and the company will use funds from the gold credit - arranged through Chase Investment Bank and Chase AMP Capital Markets — and A\$83.6m from a private placement of shares in July

only new issue was an unusual SFr100m 15-year floating-rate note for BIL Finance Cayman, Financing of the Ridgeway mine has been completed through a US\$56m gold bullion loan — involving about loan — involving about
120,000 ounces — negotiated
with N.M. Rothschild and
Mase Westpar. Ridgeway,
which is expected to produce
an annual 158,000 ounces of
gold, is scheduled to come into
production late this year.

Repayment of the loan has been assured by letters of credit totalling US\$125m from a consortium of five financial institutions. The letters of credit will also back certain long-term contracts for the for-ward sale of gold.

# **Boeing profits** 15% ahead in first quarter

By Anatole Kaletsky in New York

BORING, THE leading US manufacturer of aircraft, has reported net profits of \$138m or 89 cents a share in the first quarter of 1988, up by 15 per cent on the \$118m or 76 cents

it earned in the same quarter of last year.

The gain was achieved in spite of a marginal decline in revenues to \$3.61bn from \$3.76bn in the first quarter of

Boeing said the higher earnings of the latest quarter were due partly to a decline in research and development expenditure, which the company charges directly to earnings. R&D spending was \$1.71m in the quarter compared with \$205m a year earlier.

The company said that its spending in this sector for the remainder of 1968 was expec-ted to be below the levels of

Boeing noted that its order backlogs were strong and that its family of commercial addin-ers was "well positioned to sat-isfy worldwide airline require-ments."

However, it also warned shareholders of a number of potential problems in both the immediate future and in the

The company said that deliveries of new technology 787s, as well as some 747 and 787 aircraft, would be delayed if labour disputes at the Snecma ago engine facilities in France continued beyond mid-May.

It also warned that cuts in the US federal budget were causing significant pressures on defence and space spending.

### CORRECTION Horwath & Horwath

OUR TABLE of April 19 showout labils at April 19 snow-ing the largest accounting groups in Europe inadver-tently omitted Horwath & Hor-wath. The firm's fee income of \$175m in 1987 made it the 12th largest. Its worldwide fees were \$544m, of which 53 per cent were earned in the US, 12 per cent in the UK, 20 per cent in the rest of Europe, and 15 per cent elsewhere.

# Deborah Hargreaves on the Pandora's Box of off-exchange products

# Rule-making dilemma for CFTC

Futures Trading Commission reg-ulatory body launched itself into

CFTC is now faced with a seemingly unbridgeable gap between off-exchange proponents, who consider it is being too tough on their instruments, and estab-lished exchanges which chastise the Commission for not being

comments ranging from the enraged to the merely critical, and highlighting the sensitive

nature of this amorphous market. Even the CFTC admits it is groping in the dark for a way to regulate the rapidly growing over-the-counter futures and options market. Its first modest aim was to lay out criteria for excluding certain types of off-ex-change products from its regula-tory reach. However, it is going about this with so many provi-sos, the critics argue, that would bureaucratic procedure.

They are exploring an area, where they are not certain of what to do," remarks Mr Richard Nathan, a lawyer, who was deputy general counsel to the CFTC until 1979. "Unfortunately, the release they put out was a little too definite in tone . . . and now they should back off."

WHEN the US Commodity ticises the CFTC for stepping out just muddying the waters with which are so keen on its other Futures Trading Commission reg- side its jurisdictional reach - as its proposals. The proposal is a proposals.

another agency, such as the Secu-rities and Exchange Commission

the Commission for not being tough enough.

Over 500 pages of material had arrived at the CFTC by last week's closing date, containing tough enough.

These art Exchange Commission or the Federal Reserve Board.

Hybrid instruments are by far the fastest-growing area of the off-exchange market and include a broad sweep of products which are linked in some way to a return become at the profession. return based on the performance

the debate surrounding off-exchange futures and options instruments last December, it

The Commission's proposal "legally fling" market creativity and independent instruments last December, it

The Commission's proposal pushing business offshore.

Specific exemptions

while the CFTC says it intends at tive effects of its proposal to simplify regulation of hybrids by excluding some of them from its oversight, it also wants to require purveyors of those products to apply for a specific exemption to its rules. To be granted one, they would have to prove that the product met a range of commission criteria.

The need to register a product of the service of the commercial operations are intended, in the arcane legal debate wake of the stock market crash, the debate over off-exchange products could also get dragged into the turf battle between the two agencies.

With this as its main aim, the whatever happens, the off-exchange market is likely to continue to widen and to become even more complicated. Indeed, in the wake of the stock market crash, the debate over off-exchange products could also get dragged into the turf battle between the two agencies.

Whatever happens, the off-exchange products could also get dragged into the turf battle between the two agencies.

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Whatever happens, the off-exchange products could also get dragged into the turf battle between two agencies.

Whatever happens, are charged into the turf battle between two agencies.

The need to register a product of the product of the prod

comment in response to a pro-posed rule-making procedures for offexchange products — which are not specifi-tor options element is a minor fea-was released in December — the ture. It further proposes to exactly permitted or exempted by exclude hybrids that — for one in the market, the Treasury reason or another — already claims, "even with respect to come under the regulation of existing contractual arrange-

> tation of how far the Commis-sion's powers extend under the dity Exchange Act and what Congress's intention was in setting the agency up. The CFTC has relied upon a fairly broad interpretation of the Act, according to Mr Nathan, but just because the courts have interpreted the Act broadly in certain These can be capital-raising would always be that expansive."

change futures and options instruments last December, it lifted the lid off a Pandora's Box suggests that certain hybrid of self-interest in this unwieldy market.

Bombarded by a mass of public comment in response to a procedures for a comment in response to a procedure for the service of the comment of the comment in response to a procedure for the service of the commission's plan implies a prohibition of all hybrid comment in response to a procedure for the service of the commission has the author-ity to exclude forward contracts from its oversight and urges a service of the commission in 1974.

The Commission's proposal pushing business offshore.

The US Treasury points out variety of off-exchange abuses. The exchange does not believe the Commission has the author-ity to exclude forward contracts from its oversight and urges a from its oversight and urges a tougher stand in this area.

Widespread unrest

In the face of all this criticism the CFTC acknowledges the com-plex nature of the off-exchange arena and says it is difficult to regulating such products. It is well aware of the widespread unrest in the market community about the legal nature of offexchange business and has undertaken to digest the comments it has received and to come up with a subsequent rule-making draft

as soon as possible.

With the commission due to be re-authorised by the US Congress next year – a process that involves reporting to the Congress and answering any questions raised – the CFTC is likely to write the complete of the control of the These can be capital-raising instruments, such as gold or oil indexed notes offered by companies, or even bank certificates of stance, including the Treasury, deposit with a return tied to the performance of a stock index — the Standard & Poor's 500, for policy benefits that would be significant enough to offset the negative and answering any questions raised — the CFTC is likely to want to be seen taking a stand on these issues. Since the SEC wantle are indicant enough to offset the negative affects of the proposal involves reporting to the Commissions raised — the CFTC is likely to want to be seen taking a stand on these issues. Since the SEC wantle are indicant enough to offset the negative reauthorised by the US Companies of the CFTC is regulatory field in the CFTC regulatory field reg

too definite in tone . . . and now with the CFTC has infuriated — a practice much favoured by trying to make a living out of many players in the market, who the oil industry. And it is here making the market more complimentally market participants when he critical complains.

# Record foreign borrowings in Switzerland

Switzerland reached a record stock markets, "particularly in SFr16.8bn in the first quarter of Japan." However, continuing this year, the Swiss National uncertainty about share prices

Bank reported yesterday.

This sum, covering capital market transactions subject to National Bank approval, was 47 per cent up on the same period of 1987, largely due to a 48 per cent increase in foreign bond and note insuance to SFr13.9bn.

The National Bank drew of the National Bank drew of the National Bank drew of the Size capital and warrant issues in the first quarter over the final

The National Bank drew attention to a revival of equity-linked issues in February and March as the first quarter of 1987.

OREIGN BORROWINGS in a reflection of the recovery on

444 M

as compared with an average of issues of Sr7300m were only almost 90 per cent for all 1987.

The share of development organisations was 8 per cent and that of developing countries 5 per cent.

The sharp rise in foreign issues both foreign and domestic both started that the compared with the countries of Spring countries to the countries of Spring countries of the countries

Some 84 per cent of all foreign cent over the corresponding 1967 borrowings, the remainder of period to SFr18.2bn. Bond issues which were accounted for by by domestic borrowers were up banks' export and finance loans, went to industrialised countries, as compared with an average of issues of SFr300m were only

overall growth of Swiss capital January-March 1987, so the net market transactions in the first call on the market rose only 16 quarter. These rose by 30 per per cent to SFr13.3bn.

# MORE RESULTS FROM A MULTINATIONAL LEADER IN M&A.

Henlys Group Limited

has sold

Cope Allman International P.L.C.

Quoteplan PLC

The undersigned acted as financial advisor to Henlys Group Limited in this transaction.

Our investment bankers bring clients the best of both worlds: a keen understanding of local conditions and the global resources of Shearson Lehman Hutton.

Our proficiency and leadership in international sales and divestitures, a result of our unique approach to maximizing value, is exemplified by our recent role in the divestment of Cope Allman International, which had significant businesses in the U.K., Europe, the U.S. and

It is equally apparent in our participation in recent transactions, such as the sale of Datacard to Seedamm of Germany, J.L. Shiely to English China Clays and Alsy Corp. to Emess Lighting. We also undertook a divestiture program for Unigate.

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the amount issued is in utilities of currancy units except for You
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effective. Spread — Maryla above showhold offered rate (threemonth; labove mean rate) for US dollars. Cape — The curvant
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Cameribbe Boasts: Demonstrated in dollars unless otherwise indicated.
Che, the — Change on day. Can date — First data of conversion lets
sizes. Car. price — Nominal acoust of bond per share expressed
recurrancy of share at conversion rate friend at lates. Prem — Person,
add wommant of the currenteffective price of acquiring shares via the
bond over the most recent price of the shares.

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Data supplied by OATASEREAM International.

# BET seeks over £200m for Argus

BET, the international services group or for group, yesterday put its Argus any of the four divisions, but not Press magazine and newspaper for individual titles.

In the UK Argus is one of the entire group or for any of the four divisions, but not accounting for half of profits, are expected to attract interest from expected to attract interest from the counting for half of profits, are expected to attract interest from the counting for half of profits, are expected to attract interest from the counting for half of profits, are expected to attract interest from the counting for half of profits, are expected to attract interest from the counting for half of profits, are expected to attract interest from the counting for half of profits, are expected to attract interest from the counting for half of profits, are expected to attract interest from the counting for half of profits, are expected to attract interest from the counting for half of profits, are expected to attract interest from the counting for half of profits, are expected to attract interest from the counting for half of profits, are expected to attract interest from the counting for half of profits are expected to attract interest from the counting for half of profits are expected to attract interest from the counting for half of profits are expected to attract interest from the counting for half of profits are expected to attract interest from the counting for half of profits are expected to attract interest from the counting for half of profits are expected to attract interest from the counting for half of profits are expected to attract interest from the counting for half of profits are expected to attract interest from the counting for half of profits are expected to attract interest from the counting for half of profits are expected to attract interest from the counting for half of profits are expected to attract interest from the counting for half of profits are expected to attract interest from the counting for half of profits are expected to

Argus publishes business mag-azines in the UK and US as well its worldwide total of 150 mag-UK and local newspapers in and around London. The division made operating profits of £14m on turnover of £143m in the year of communications groups on turnover of £143m in the year age for communications groups with global ambitions.

directories, 90 local newspapers borrowing facilities in place, and 120 specialist books was seen including three separate commercial paper programmes. RET will tronic communication equipment, as well as its Channel be in a position to make a large murchase, perhaps worth £500m Islands electronics rental busi-

City analysts predicted lively Among the possible British competition between a number of contenders are Maxwell Commucompetition between a number of contenders are Maxwell Commutation Corporation, Reed Interpolation businesses which will be auc-

as consumer magazines in the azine titles, 80 yearbooks and UK and local newspapers in and directories, 90 local newspapers with global ambitions.

tioned by Morgan Stanley International, UK-based subsidiary of rance and VNU. Elsevier and term of small to medium-sized wolters Kluwer of the Netheraditions to its service business-the IIS investment bank. BET said it would entertain lands could have an interest in es. These businesses include tex-

a net cash position. With large f151m. borrowing facilities in place. Also purchase, perhaps worth £500m

tile rental, cleaning, waste dis-posal, and plant and security

rress magazine and newspaper for individual diles.

In the UK, Argus is one of the expected to attract interest from domestic US companies as well as foreign groups keen to take advantage of the weak dollar.

Argus publishes business magaine magazine publishers, with titles including Slimming advantage of the weak dollar.

The disposal is expected to attract interest from domestic US companies as well as foreign groups keen to take advantage of the weak dollar.

The disposal will put BET sold companies as well as foreign groups keen to take advantage of the weak dollar.

The disposal will put BET into Higher Aircraft of the US for a part with large.

Also up for sale are Rediffusion Radio Systems, a maker of elecment, as well as its Channel Islands electronics rental business annid overseas broadcasting

The planned sale is the latest in a series of disposals by BET, which plans to concentrate on what it describes as support services. BET shares closed 12p

# Interest credit helps FR rise 32% to £22m

A NEARLY tripled interest credit group were strong for the current helped FR Group, maker of specifically equipment for the aircraft, energy and electronics industries. Spending on research and evelopment, which increased by increase pre-tax profits by 32 per cent during 1987, was cent to 522,1m for 1987. Operating the first increase at a rate of 20 by 9.2 per cent to 19.37p. The pro-first specifically, this reflects the property of the current one in related businesses, said Mr ever, the slowdown can be firwin. Two were in the US, two largely ascribed to the major in the UK and one on the Continuent. Earnings per share increased pany's confidence in the future.

alised equipment for the aircraft, energy and electronics industries, increase pre-tax profits by 32 per cent during 1987, was cent to £22,1m for 1987. Operating profits increased by 14 per cent to £116,4m (£39,1m).

Mr Giles Irwin, group financial director, said it had been a very satisfactory year, with particularly strong performances from FR Aviation and WES, a missile container manufacturer. Alam Cobham Engineering, however, had experienced increased competition and a downturn in profits. Order books for most of the

# Dencora more than doubled at £4m

Dencora, East Anglian property group plans to develop light jumped to 15.2p. In 1986 – before developer and investor, more industrial and high technology an £8m rights issue last June – before than doubled pre-tax profits to units.

"We consider ourselves very fortunate to have bought it for used to finance continued expan-

also announced the £1.9m acquimanaging director.
sition of a 14-acre site at Ashford,
Kent — the freight terminal for cent to £22.4m (£15.8m) and fully
the Channel Tunnel — where the diluted earnings per share

Joseph Holt rises to £3.4m

Joseph Holt, Manchester - based- with £10.58m. brewer, raised pre-tax profits
from £3.29m to £3.42m in 1987, on
turnover of £11.5m, compared
up from 18p to 20p.

The company, which graduated that figure. We've already from the Unlisted Securities Marreceived higher offers for the ket to a full listing last summer, site," said Mr Colin Holmes, joint

to Dencora's property portfolio which is now worth 546m and comprises over 1.3m sq.ft. of industrial and commercial prop-

the success of the group's light industrial estates.

Dencora's commercial property earnings per share were 8.1p. Froceeds from the issue are being used to finance continued expansion and reduce bank borrowsize from 45,000 sq.ft. to 65,000 sq.ft., which will be traded this

The group's residential devel opment operation sold 272 hous last year and Dencora expects the division to increase its 50 per cent share of business in 1988. At

Dencora's shares rose 2p to

April 1988

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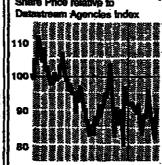
# WCRS has 50% stake in French media buver

WCRS Group, the advertising and communications company, is paying an initial FFr688.7m (264.4m) for a 50 per cent holding in SGGMD, the French-based group which is Europe's largest independent media

By Clay Harris

uyer. The deal, after lengthy negotiations which were disclos even weeks ago, will make WCRS one of Europe's largest

WCRS Group Share Price relative to



communications groups and a major international force in media planning and buying. For WCRS, formerly Wight Collins Rutherford Scott, it ing exposure to the dollar. Moreover, advertising will now account for less than 50 per cent of its income. WCRS shares closed 15p higher at

SGGMD buys about 20 per cent of all television, cinema and magazine advertising in France, as well as a substantial share of press advertising and outdoor poster sites. In 1987, it achieved pre-tax prof-its of FFr462m on turnover of FFr6,96m, of which France accounted for hearly 80 per

Mr Gilbert Gross, SGGMD chairman, said yesterday: "By 1992, the single European mar-ket date, it will all have hap-peared as far as the media is concerned. The great changes and restructuring are harner. and restructuring are happen-ing now because of deregula-

The corporate structure devised to hold SGGMD is intended to insure that key strategic decisions can be strategic decisions can be undertaken only with the agreement of WCRS and the French company's vendors. SGGED will continue to have day-to-day management control of the business.

WCRS is to find the initial.

cash payment through a 256m long-term bank facility arranged by Samuel Montagu and Banque Nationale de Paris, at an initial interest rate of 11 percentage points

Under a complicated formula linked to profits up to June 30 1991, WCRS could end up paying as little as FFr628.7m (£58.8m) or as much as FFr 923.8m (£86.3m) for the hold-

# Cosalt growth continues to £1.3m half-way

The expansion shown by Cosalt in the latter part of 1986-87 continued into the first half of the current year, and it looks forward to producing "excel-lent results" over the 12

In the 26 weeks ended February 28 1988 turnover moved up from £27.2m to £30.86m, while the pre-tax profit surged from £563,000 to £1.3m. After tax £299,000 (£125,000) earnings rose to 8.97p (4.05p), and the interim dividend is stepped up to 2.5p (1.5p).

The directors said reorgani-sation of the ships' chandlery business into two divisions (manufacturing and sales and distribution), was completed. Both were performing well. Caravan manufacturing con-

tinued to make good progress with high demand for both companies' products.

For the year ended August 31 1987 the group had lifted its profit from £1.08m to £1.77m.

# Tarmac rises 56% to £265m in construction's 'year of years'

three years was to build 15,000 homes annually. He emphasised

that only 30 per cent of house

profits were earned in the over-

The quarry products division reported its first year in its new

form, following the separation of building materials and Tarmac

heated south-east.

BY FIONA THOMPSON

Tarmac, the UK's largest build—a 32 per cent increase on the 1986 ing materials and construction figure of 17.8p.

company, yesterday reported Housing made the largest conprofits 56 per cent ahead at tribution, clocking in profits of £265.4m for the year ended fill.8m (£61.6m) in conditions of £265.4m for the year ended December 31 1987. The pre-tax advance from £170.5m was made on turnover 26 per cent up at 52.20hn (£1.74hn) Last year "was the year of more than in 1986 when the aver-

years for the construction indusspecial was £43,000.

try," said Sir Eric Pountain. Margins on housebuilding rose
group chairman, and Tarmac was to 181 per cent last year, said Sir
in the best shape he had seen it
in his nine years with the commac's target in the next two to

It was hard to find an historic parallel, he said. There was strong construction demand from the booming UK economy, "but we've never before seen this against a background of low

The present year had started very well, helped by the unusually good weather in the early months. There were no signs of house prices falling nor of a construction downtown in 1983 or struction downturn in 1988 or 1989, he said.

from the UK, adding "we think that is the place to be." All seven divisions reported

strong growth and the after-tax £16.3m.
profit of £173.1m (£111m) produced earnings per share of 23.5p. and industrial building lifted the

America into new divisions. The division recorded a 14 per cent rise in operating profit from £53.1m to £72.1m. . The construction division saw profits move ahead by 52 per cent from £12.6m to £19.2m, from Exchange rate movements shaved 18m off the pre-tax figure; but Sir Eric stressed that more than 80 per cent of turnover was

ing profits up from £10.4m to

# widespread demand. The 20 local housebuilding subsidiaries completed 11,236 homes at an average price of £48,500 - almost 1,000

Sir Krie Pountain: Tarmae in best shape he had seen it

industrial products division's industrial products division's profits from \$21m to \$25.4m. The properties division saw profits rise 50 per cent to \$6.6m (\$4.4m). The Tarmac America division profits surged to \$46.9m (\$22m), including first-time contributions from Tarmac-LoneStar in Virginia and of ginia and the Carolinas and of Massey in California. But the continuing economic difficulties in Texas deferred recovery.

The new building materials in Texas deferred recovery.

division enjoyed buoyant UK
markets for its clay, concrete and
natural stone products, produc5.25p was recommended, making effective increase of 31 per cent allowing for a scrip issue.

**Development policy holds** back Scotmet growth rate

BY PAUL CHEESERIGHT, PROPERTY CORRESPONDENT Scottish Metropolitan Property, payments for the full year were

the higgest property investment 4.50.

Company in Scotland now building up a development portfolio, down its portfolio. There are recorded a modest increase in likely to be sales of £15m in the first half earnings. Pre-tax profits current half. The proceeds are for the six months to February 15 seen by Mr Gordon Milne, the were £3.8m, compared with managing director, as a chear were £3.8m, compared with managing director, as a cheap £3.72m in the corresponding source of development funds period. which are being concentrated in Higher rental revenue from its a few developments, notably in

pruned down investment purifo-lio was offset by greater finance. The development progr the development programme built up from nothing to 2100m over the bave been increased by a 250m. last three years.

The market was unimpressed by the figures. The shares finber. Scotmet has £100m of

untouched bank facilities. ished the day 1p down at 130p m a generally flat property sector.

Earnings per share were 2.6p, ioning the development activity, against 2.53p in the 1996-87 first. Mr Milne said. But the develophalf. Shareholders are receiving ments will only be clearly an interim dividend of 2p. The reflected in terms of earnings and interim last year was 1.5p and asset value per share from 1969. reflected in terms of earnings and

UniChem seeks approval

UniChem, the co-operative of independent chemists fighting a apport, also sent to members yes-terday, Mr David Mair, chairman, 165m takeover bid from Macar-said he would not be seeking a thy, the healthcare group, yester-vote at the AGM commiting the day despatched to members society to becoming a public liminatice of its annual general meeting on May 18, when the manages should be taken in 1990 in the ment will seek approval for its proper context of UniChem's controversial share promotion strength at that time and the scheme.

The scheme, introduced at the fing then." start of the year, entities chemists to buy shares at a discount. A dissident member, Mr John when the company is floated — Newbould, says he has assembled an event planned for 1990 — if, the necessary support to force an they place extra spending with extraordinary general meeting on UniChem. Following complaints the flotation issue. But Mr Peter from rival wholesalers, the Dodd, UniChem's managing Department of Trade and Industry is looking at the scheme. Sitton for a meeting had been In the co-operative's annual received from Mr Newbould.

In the co-operative's annual received from Mr Newbould. **Relisting for West Trust** 

THE SHARES of West Trust, the ing, and Associated Spinners, a tiny textile company which recently got into difficulty with its venture into financial services, returned to the stock mar-

records as Britain's smallest public company, has received an injection of capital from a rights issue and from a consortium of new investors. The consortium holds a 40 per cent stake in the

The trading activities of West Trust now comprise the original Dura Mill, which is involved with

ket yesterday. plans to expand further by acqui-The old West Trust shares sition within textiles once the ended the day at 38p, the suspension price. The new shares rose "secured".

sion price. The new shares rose by 2p to 33p during the day's trading.

West Trust, which under its former guise as Dura Mill once appeared in the Guinness Book of Records as Britain's smallest public company, has received an injection of capital from a right; issue and from a consortium of new investors. The consortium of new investors.

BRENT WALKER Group's acquisition of Goldcrest Films and Television (Holdings) is not being referred to the Monopolies Com-

# **Ewart goes** into cold storage BY VANESSA HOULDER

Ewart, Belfast-based property group, yesterday amounced a fam all-shares acquisition of Ashley Milner, a Kent-based cold storage operator, together with a rights issue to raise \$5.75m after expens

The move was described by in its policy of expanding into the buoyant property markets of London and the South-east. In addition to substantial benefits from the rental cash flow from the cold storage and warehousing operation, there is considerable long-term development potential in parts of the West Kent site, said Ewart.

The cold storage operation, which is run by Ashley Milner's wholly owned subsidiary West Kent Cold Storage, is based on a 17-acre freehold site at Sevencaks, Kent This site, together with an adjacent 7.5-acre freehold site, which is at present unused, has been valued at £10.5m.

The proceeds from the rights issue, which is fully underwritten and in the form of a 1-for-1 offer at 125p per share, will be Kent's bank loans, which are at most, £5m. In view of the size of the proposed acquisi-tion, the shares were suspended on Friday at 210p. suspended on Friday at 210p, pending shareholders' approval at an extraordinary meeting.

The payment for Ashley Milner will take the form of 4.8m new ordinary shares at a price of 125p per share, which is the same price as the proposed rights issue and approximately the same price as the revised net asset value. Following a revaluation of Ewart's invest-ment properties, the net asset value per share is calculated at 123p. Ewart forecasts pre-tax profits of £300,000 for the year to April 1968.

# Confidence as Casket advances

Casket, the clothing manufactur-ing group which acquired Kingsley and Forester in December, reports pre-tax prof-its of 23.03m in the six months to end-1967, compared with a restated 22.4m.

After a quiet start to the current half, trading was improving. The directors were confident that the year's results would reflect the excellent progress made Chrom transpar game to made. Group turnover came to £52.24m (£49.28m). The interim dividend is increased to 1.2p

# More purchases in line as CI reaches £3m

to 23.01m for the year to January 31, against £1.5m for 1986-87.

Earnings per share rose by 90 per cent from 2.16p to 4.10p.
Mr Cedric Grew, managing director, said several acquisitions were lined up for this year, including some in new operating areas. In the longer term, he added, CI was looking for a major purchase to establish the com-

CI Group, Wolverhampton-based steel and engineering company which has acquired 10 operating subsidiaries in the last two years, more than doubled pre-tax profits to 22 flux for the steel and the group had concentrated instead on reducing costs and improving efficiency. As a result, operating margins rose from 6.6 per cent to 9.3 per

He said organic growth last

A consertium led by Mr Ahmed others, acquired last year, per cent of Cl's shares, but Mr improving volumes. In theory, Cl friendly. Mr Roy Kettle, Cl's should return profits across the friendly. Mr Roy Kettle, Cl's chairman, is on the board of Evered, the industrial conglomerate headed by Mr Ahmed others, acquired last year, improving volumes. In theory, Cl should return profits across the board in 1988-89. Pessimists might warn of the damage a downturn in the construction in the construction moment there is no sign of such a recession. In any case Cl is

He said organic growth last year was some 38 per cent, exchanged growth last year was some 38 per cent, exchanged growth last year was some 38 per cent, exchanged growth last year was some 38 per cent, exchanged growth last year was some 38 per cent, exchanged growth last year was some 38 per cent, exchanged growth last year was some 38 per cent, exchanged growth last year was some 38 per cent, exchanged growth last year was some 38 per cent, exchanged growth last year was some 38 per cent, exchanged growth last year was some 38 per cent, exchanged growth last year was some 38 per cent, exchanged growth last year was some 38 per cent, exchanged growth last year was some 38 per cent, exchanged growth last year was some 38 per cent, exchanged growth last year was some 38 per cent, exchanged growth last year was some 38 per cent, exchanged growth last year was some 38 per cent, exchanged growth areas. In the longer term, he added, CI was looking for a major purchase to establish the company in the US.

Continuing buoyancy in the construction industry, which accounts for about 40 per cent of CI's business, contributed to a 14 par cent increase in group sales to £39.2m (£34.5m).

Bipel, the rubber moulding from a major purchase to establish the company in the US.

Bipel, the rubber moulding from a major purchase to establish the company in the US.

Bipel, the rubber moulding from a major purchase to establish the company in the use of CI's 14 subsidiaries exchange rates are more favourable.

Continuing buoyancy in the construction industry, which accounts for about 40 per cent of CI's business, contributed to a 14 par cent increase in group sales to £39.2m (£34.5m).

Bipel, the rubber moulding for such diversity. Further acquisitions will add to this span of activities in 1888-89, although CI will probability curb its US ambitions until only one of CI's 14 subsidiaries exchange rates are more favourable. Only one of CI's 14 subsidiaries exchange rates are more favourable. Forecast pre-tax profits of last year, apparently because its between £4.5m and £5m put the par cent increase in group sales weakness had not affected business so far. 4265m;

France

# When it comes to talking about £73.1m profit some figures speak for themselves.

E20.0M £27.IM £20.9M £73.IM UP 29% UP 27%

Taylor Woodrow teamworkers achieved new records in 1987 for the 27th consecutive year. Of £73.1m profit (1986 £57.6m) £20.0m came from Construction £27.1m from Property development and investment £20.9m from Homebuilding and £5.1m from Trading activities.

For not unsatisfactory profitability and performance the figures pulling as a team ensure the figures vital for future growth.

TAYLOR WOODROW

Pulling together for people, performance and profit.

# COSALTpic

# INTERIM RESULTS FOR 6 MONTHS ENDED 28th FEBRUARY 1988



Mr. E. A. Brian, Chairman and Chief Executive, reports further good progress in all divisions for the half year and encouraging prospects for the

Copies of the Interim statement will be available shortly from the Company Secretary.

FINANCIAL I	HIGH!	LIGHT	
•	6 auths 1988	6 mils 1987	Pull Yes 1987
	£,000	£,000	£,000
TURNOVER	30,857	27,199	57,780
PROFIT BEFORE TAX	1,301	563	1,767
PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS (Before Extraordinary Items)	1,001	437	1,466
EARNINGS PER SHARE	8.97p	4.05p	13.43p
ORDINARY DIVIDENDS	2.50p	1.50p	4.50p

COSALTpt: Well Court, Bow Lane, London BCA, Tel: 01-248 0846. Faz: 01-236 3826.

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### THE SIAM FUND SIAM FUND (CAYMAN) LIMITED

orated with limited liability under the laws of the Cayman Islands with registered number 280644)

Placing of 4,000,000 Participating Shares of US\$0.01 each at a price (subject to adjustment) of US\$13.75 per share

oplication has been made to the Council of The International Stock Exchange of the ited Kingdom and the Republic of Ireland Limited for the Participating Shares issued and now proposed to be issued to be admitted to the Official List.

Particulars of the Participating Shares are available in the Extel Statistical Service and copies of the Ptacing Memorandum comprising Listing Particulars may be obtained during normal business hours from the Company Announcements Office of The Stock Exchange on 27th and 28th April, 1988 and until 17th May, 1988 (Saturdays and public holidays excepted) from:

> SIAM FUND (CAYMAN) LIMITED P.O. Box 309

Baring Brothers & Co., Limited Baring Securities Limited Lloyds Chambers

underwritten rights offer.

offer for sale.

Properties Group.

W.I. Carr (Far East) Limited

Another enterprising week

at Samuel Montagu.

Preparations complete for the £18 million flotation of <u>Dagenham Motors Group</u>.

Advised Concorde Energy in its £138 million acquisition of Kelt Holdings and

£20 million flotation of Clinton Cards through a novel combined placing and

Dealings started in new shares issued by Systems Designers in its £82 million

Arranged a £46 million syndicated loan for Carroll Industries Corporation.

Posted offer document for the Broadland Group in its £21 million offer for County

Arranged a £100 million sterling certificate of deposit programme for <u>HAC Bank</u>.

Last week Samuel Montagu's corporate finance and specialised financing teams worked around the

clock to secure transactions for our clients that embraced flotations, acquisitions, public bids, rights

acquisition of Scicon Group. Underwritten equity of £7.2 million and debt of £27 million.

27th April, 1988

# Ratners at £50m - another US buy

in the year ended January last, with a rise from £22.5m to £50.4m, to £360.2m, compared with £158m excluding profits on property sales of £2.3m (£134,000). Mr Gerald Ratner, chairman

and managing director, con- ing months in the previous ner said that so far in the current firmed the rumoured acquisition of Osterman's, a 56-store US jew-eller, for \$69m (£36.1m). The deal will take Rainers' US store numbers to 274.

Osterman's which is based in During the period the H Samuel acquired in July 1966, was

Ohio like Rainers other US busi-nesses Sterling and Westhall, made a pre-tax profit of \$1.1m in 1986-87 on sales of \$43m.

The acquisition will be financed by an issue of 36m convertible preference shares, offered to shareholders on a pro rata basis, priced at 100p and carrying a dividend of 6.25p. They also helped, and Ratners now has will be convertible into shares 735 shops in the UK. unsuccessful beach year starting in June 1989 at Mr. Andrew Coppel, finance English Stores.

M.Y.£3.6m

for Rowpak

March 1989.

For the year ended March 31 1987, Rowpak had a pre-tax profit of £171,000 on sales of £5.1m, and

total net assets of £349,000.

M.Y. said the acquisition would strengthen its existing corrugated carton business, with Rownak complementing its other currugated plants in Lincolnshire and Exerc

sgreed to acquire the minority interest in its subsidiary, Samuel Fisher & Sons (Preston) for £550,000, to be satisfied by the allotment of £45,213 new ordinary

Fisher is the holding company of Harry S. Allen, retail and dis-

pensing chemist, based mainly in the North of England. Its net assets at January 31 1988 were

Monday 18 April

Tuesday 19 April

Wednesday 20 April

Thursday 21 April

Friday 22 April

Next acquisition

Group turnover last ye for the previous 43 week period. Trading profits increased from £26.5m to £55.8m. The two missperiod were February and March year the volume increases in

fully integrated and the Ernest Jones chain was bought in

shops rose 38 per cent, in like-for like Ratners shops they rose 25 per cent and in Ernest Jones 33 per cent. New store openings

Retners, the fast-growing and a price of 300p, and if converted director, said that in the current A final dividend of acquisitive jewellery retailer, would add 7.5 per cent to the year the group would aim to gives a total of 5p (4p). more than doubled pre-tax profits existing capital. tighter cost control.

By the end of the current year the group will have 850 shops in the UK, with 1,000 planned for the end of the next year, Mr Ratsales were continuing at a simi-

In the US trading profits from the two businesses bought last year totalled £14m on sales of £63.8m. Sterling was included from early August and Westhall from the end of October.

After two rights issues, and a convertible Euroband issue, last year, fully diluted earnings per share (including property profits)
rose 43.4 per cent to 21.75p. An extraordinary item of 52.8m largely related to the costs of the unsuccessful hid for Combined English Stores.

Kitty Little plans USM quote

cigarette stub. On the slace fresh-ener side, the products include fabric kittens to place in shoes

A final dividend of 2.75p net

comment

Ratners has virtually single handedly revitalised the UK jewellery market and, faced by largely weak and fragmented competition, now seems is such pable. Its buying power is such that it can offer an average diamond ring at £94.50 compared to around £200 in most jewellers. while names and and the inches of Sterling should be repeated in Osterman's which could rapidly reduce the purchase p/e to single figures. Dou-bling profits again this year is too ambitious a target to start

Fairey set for listing as profits reach £5m

By Philip Coggen

Fairey Group, the engineering company which was the sub-ject of a management buyout from Pearson in January 1987, is set to join the stock market within the next 12 months. The company announced its plans yesterday together with news of pre-tax profits on its continuing businesses of film

The Fairey management bought itself out from Pearson, which owns the Financial Times, in a £51m deal backed by Candover Investments, the venture capital group. Since the buyout, Fairey has sold Davis Derby, the mining equip-ment manufacturer, to Senior

Engineering.
Fairey's businesses are now concentrated on aerospace, filtration, electronics and industrial ceramics. Operating profits on the continuing businesses were £7.8m on sales of £78m and interest charges

were 22.8m.
Mr Derek Kingsbury, the chairman and chief executive, said that a listing would allow some of the buyont backers to realise part of their invest-ments and would enable the group to expand by acquisi-

# Musterlin to raise £2.25m

Musterlin Group, USM publisher and book distributor, plans to raise £2.25m through the issue of 2.25m cumulative

preference shares.
The group, intends to strengthen its capital base with the issue.

The proceeds will be used to reduce Musterlin's borrowings rouse sinsterlin's horrowings and provide additional funds to continue growth, both organically and through acqui-sitions, in fields relating to its existing activities.

The new class of shares, to be lasted at £1 each, will carry the right to a fixed cumulative preferential dividend of 9.75p net a year, the first payment of 1.3356p per share — to made on July 1.

⊇Works

### M.Y. Holdings, the packaging and consumer goods group, yes-terday announced the acquisition of Rowpak, a Manchester-based corrugated cardboard carton Kitty Little, manufacturer of fra-grance products, is coming to the Unlisted Securities Market via a placing valuing it at £8.5m. Laurence Prust is placing 1.55m shares, representing 20.6 per cent of the enlarged equity. and boots overnight. Boots, the company's higgest consomer, accounted for 41 percent of sales last year. Mr Graham Webster, chairman and managing director, said Kitty Little was keen to expend sales in accounted the sales in acc M.Y. has conditionally agree to make an initial payment of about £1.39m in cash and issue at 90p, to raise £1.58m for the 3.7m new ordinary M.Y. shares for Rowpak's issued share capi-Kitty Little makes items designed to make homes, clothes, shoes and cars smell sweeter. supermarkets, department stores, gift shops, shoe shops and service A further consideration of up to \$2.25m may be made depend-ing on Rownak's pre-tax profits These include pot-pourri room fresheners, coat hangers, drawer

# Another Thai fund to join market with \$52m placing

The Siam Fund has become the in Thai companies and by April second Thailand-based invest22, just 9 per cent of the fund was ment fund to join the stock marheld in cash. On the latter date, ket in the past week.

Last week, Yamaichi International, the Japanese securities gain on January's initial subhouse, launched the Thai Investment fund; this week it is the turn of Banque Indosuez and Barnot be redeemable for five years ing Brothers. The Slam Fund is and it is not the fund's intention and it is not the fund's intention.

already up and running having to distribute dividends. Dealings raised over \$40m in January via a in the shares are expected to

The fund is raising a further \$52m after expenses, via the placing of 4m new participating redeemable preference shares at

start on May 4.

TR Australia

After the fund was established reported a lower net asset value in January, the managers quickly of 97p (145.5p) per share in the six purchased a large block of shares months to February 29 1988.

# Corporate Estates in £61m property deals BY PAUL CHEESERIGHT, PROPERTY CORRESPONDENT

Corporate Estates Properties, which came to the USM last Angust, has completed its biggest series of property transactions, buying four office properties for a total of £41.5m and immediately

intal of \$41.5m and immediately selling one on to a private investment group for £19.6m.

The market responded by lifting the shares 6p to 70p.

The properties were bought from Cemp Properties, a company controlled by the Bronfman family, which is behind the Seagram group in Canada.

The transactions were conducted through Corporate and in Sidcup and in

ducted through Corporate and in Sidcup and Dartford Estates Property Developments, a Kent.

subsidiary, and Hasheld, an asso-clate acquired off-the-shelf for this series of transactions. The bulk of the finance required after the sale of one property, which is in the Regent Street area of London's West End, has come from American

Express Banking Corporation. It provided a non-recourse loan at 1 The properties Corporate Estates are retaining are Dorset

House, let to Government departments, south of the River Thames, near London Bridge,

# **Butte Mining acquisition**

block adjacent to its Rainbow prospect in Montana.

The company said the block has significant silver and gold bearing ore reserves with a total gross recoverable metal value of \$321m and undiscountednet worth after operating and capital costs of not less than \$186m.

In the half-year to January 31 Butte incurred an operating loss

Butte Mining, which gained a of £199,528 but a net profit of London quotation last October, is £14,693 after interest income of to acquire a substantial claim £224,221 and tax payments of block adjacent to its Rainbow £10,000. No interim dividend will £224,221 and tax payments of £10,000. No interim dividend will

be paid.

Butte said its mine production planning process was on sched-ule and output is expected to begin this summer. However, negotiations for custom miling facilities had been deferred pend-ing the results of the current metallyspical test work prometalurgical test work pro-

# Albany Inv Trust

Albany Investment Trust has increased pre-tax profit from £307,782 to £338,783 investments marginally down from £8.88m to £8.37m for the year to February 29 1988. Net revenue was up from £215,000 to £244,000.

The trust has recomended a final dividend of 1.8p (1.45p) making a total of 2.25p (2p).

Tax took 294,657 (292,891) and earnings per share improved from 2.14p to 2.44p. Net asset value dipped from 88.8p to 84p.

# Logica purchase

Logica, the UK's largest com-puter software company, yester-day announced that it had acquired Jardine Matheson's 50

IN 1987 Lanca, lifted its earnings from 3.01p to 5.85p and is dou-bling the dividend to 1.1p. Results included Frankel & Roth (International), and the 1986 comparisons have been adjusted. Turnover moved ahead to £11.8m (19.2m) and pre-tax profit to film

acquired Jardine Matheson's 50 per cent interest in their Far Eastern joint venture, Jardine Logica, for an undisclosed sum.

The company, which will continue to provide regional computer services, will be renamed Logica Systems and become a wholly owned subsidiary of Logica. Logica Systems will still have headquarters in Hong Kong. have headquarters in Hong Kong.

# Lanca doubles dividend

Mr Chimu Gidoomal, chair-

the expansion of the Lanca cloth-ing side and the characterised merchandise of Frankel & Roth. Some cost savings benefits of the merger have still to show through. He was confident that all three

divisions would produce further organic growth. Subject to the achievement of current trading man, said the improvement in projections it was intended to operating margins resulted from pay an interim dividend.

# ularly strongly. In the year to January 31 1988 the company produced pre-tax profits of 2846,000 on sales of 24.13m, putting the shares on a historic p/e of 12.5. Since 1984 the

pre-tax figure has increas average annual compound rate of over 56 per cent. The company will use the money raised to strengthen the

balance sheet and provide increased working capital for expansion and acquisitions. liners and pillows and even pot-pourri pellets for car ash trays tries accounted for 17 per cent of

# ASB Barnett

ASB Barnett Kinnings is to join the Third Market. Manchester stockbroker Chariton Seal has placed 575,000 shares at 60p each payable in full ASB is an expanding accountancy recruitment con-sultancy based in the north of England. Dealings will start on ionday May 16.

an 153.1m placing of 12m ordinary shares at 26p through its brokers - 10 per cent of the total placing will be offered to the Dublin and

### DIVIDENDS ANNOUNCED

	n ordensker. Postalisk sink		Current payment	Date of payment.	Corres ponding div	· Total for · year	Tota last year
1	Albany	'n	18	June 28	1.45	2.25	2
		Ы	1.5	July 5	· <b>-</b>	2.5	.=
	Bertrams Inv	nt	0.75		1	-	2.1
1		İnt		`June 3`	: 0.69		2.06
.	Casket	mt	1.2	•	1	•	2.6
1		ĺπ		July 1	0.63	1,38†	3.05
ı		Int		Aug 24	1.5	• • .	4.5
1	Deposts			July 1	2.5	3_	2.5
1	FR Group	<u>E</u> m	3	•	2.5	4.62	3.85
- 1	Holt (Joseph)	Ш	15		14	.20	18
		٥n		July 8	0.55	1.11	0.55
1	Lon American Ven.			_	0.75	0.45	0.75
ı	Plumb Hidgs \$				2	4_25	:
1		m		July 6	3	5†	4_
	Scott Metro Prop		. 2	Aug 15	1.9		4.6
1	Scott Robertson				2.5	_4_	3.5
1		Řη		July 4	4.32*	7.25	5.55
ł		nt		- 🕶	~ 4~	Ξ.	2.41
1		ļn.	2.5	فتت	0.96	3_	0.96
ŀ	Walker Greenbank.	90		July 1	1.5	2.25t	1.5
ŀ	Ward Group	fin	28	June 13	~	4.8	-

Dividends shown pence per share net except where otherwise stated. \*Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. ¶USM stock. ¶Unquoted stock. ¶Univi market.

# **BOARD MEETINGS**

May 4 May 11 Apr 28 May 11 May 4 Apr 29 Jun 7

purmission to deal in 17,600,000 Ordinary Shares in More, P.L.C. in the Third Market. It is emphasised that no application any of Moray Firth Exploration P.L.C.'s securities to be admit the United Securities Market.

MORAY FIRTH EXPLORATION P.L.C.

SHARE CAPITAL d and Pally Paid £294,000 in Ordinary Shares of 1p each £176,000

> INTRODUCTION GREEG, MIDDLETON & CO. LIMITED

The principal activities of Moray Firth Exploration P.L.C. are the exploration for and exploration and development of oil, gas and minerate in sclossed parts of the World.

Transactions in the Ordinary Shares of Morey Firth Exploration P.L.C. will be effected in accordance with the rules and regulations governing the Third Market of The Snock Exchange. This investment may carry a high degree of risk.

Particulars of Moray Firth Exploration P.L.C. are available through the Entel Market service. Copies of such particulars can be obtained until 12th May,

Greig, Middleton & Co. Limited, 78 Old Broad Street, London ECZM IJE

27th April, 1988

Samuel Montagu & Co. Limited 10 LOWER THAMES STREET, LONDON EC3R 6AE. TELEPHONE 01-260 9000

issues and the underwriting of equity and debt. All in all, it was another typical week.

Lug va

# Walker Greenbank surges to £11m

Walker Greenbank, the fast- the year, it acquired Walkover- and his business partner, Mr directions without creating a growing mini conglomerate, ings, an upmarket wallpaper increased pre-tax profits by 42 designer and manufacturer, for per cent in the year to January 532m and Wilcomatic, an autopath of the year to January 532m and Wilcomatic, an autopath of the year to January 532m and Wilcomatic, an autopath of the year to January 532m and Wilcomatic, an autopath of the year to January 532m and Wilcomatic, an autopath of the year to January 532m and Wilcomatic, an autopath of the year to January 532m and Wilcomatic, an autopath of the year to January 532m and Wilcomatic, an autopath of the year to January 532m and Wilcomatic, an autopath of the year to January 532m and Wilcomatic, an autopath of the year to January 532m and Wilcomatic, an autopath of the year to January 532m and Wilcomatic, an autopath of the year to January 532m and Wilcomatic, an autopath of the year to January 532m and Wilcomatic, an autopath of the year to January 532m and Wilcomatic, an autopath of the year to January 532m and Wilcomatic, an autopath of the year to January 532m and Wilcomatic, an autopath of the year to January 532m and Wilcomatic, and wilcomatic, and wilcomatic, and wilcomatic year to January 532m during the year, profits increased to £11.1m from the previous acquisitions were likely to be of year's restated £7.8m. acquisitions were likely to be of the "bolt-on" variety. He had

Sir Anthony Jolliffe, the exlord Mayor of London who is
chairman, said the group was
chairman, said the group was
still on target to be a \$200m turnover company by the end of 1999,
as he forecast when he merged C

Welker Holdings with

The star performer in the UK
was Alkar, the supermarket

Sir Anthony said that further

as he forecast when he merged C & W Walker Holdings with Greenbank in 1986.

Walker Greenbank has diversified from its early base in engineering, and now two-thirds of its turnover and around three-quarters of its profits come from consumer related industries. During the disposals was Gantry summer related industries of the disposals was Gantry summer related industries. During the disposals was Gantry summer related industries of the disposals was Gantry summer related in the disposal summer recommending a

at one site at Blackpool and acquisition costs of 2600,000.

These were taken as an extraordinary debit of £2.1m.

Anthony Jolliffe has done his

these were taken as an extraordinary debit of £2.1m.

Operating profits were £11.7m (£7.8m) on turnover of £98.3m (£80m). After interest of £664,000 (£422,000) and tax of £3.59m into up to scratch. His next acquisitions are likely to be quite (£2.58m), fully diluted earmings per share were 8.59p (£28p). The directors are recommending a final dividend of 1.75p (1.5p), making a total of 2.25p (1.5p).

Comment

## Organic growth doubles Plumb to £1.84m

Plumb Holdings, the USM-quoted interior contracting and furnish-dend of 3p makes a total for the more than £30m, has grown from its "designer homes" but to make speculative gains from its "designer

the year to January 30 1988.

Profit before tax rose to £184m
(£0.89m) largely from organic
growth, while earnings per share
were up from 7.2p to 14.5p.

Turnover increased 81 per cent
to £49m (£27m). Two-thirds came
from the core company, Plumb
Contracts, contractor for hotel

At 225p.

The Coventry-based group and contract managements.

The Coventry-based group and contract managements were
shopfitters, Osto Landenbau of
from the coven company, Plumb
£1.25m management buyouf from
the Owen Owen department store
the Owen Owen department store
chain.

## **COMPANY NEWS IN BRIEF**

ALUMASC GROUP has sold Ingersoll Locks for £2m, includ-

Church Commissioners. Current net income is nearly £229,000 commercial property developer, (0.75p). Revenue before tax was amusally, and is expected to rise has purchased sites worth £7m. £581,000 (£1.36m) and earnings substantially on review in 1991.

BANRO INDUSTRIES rights issue was taken up by shareholders representing 2.44m shares James Finlay, has changed its (66.6 per cent). Balance sold in market at 167.6p per share.

HENRY BARRETT Group has acquired Westbury Tubular \$2808,911 (£553,395) in the six months to end-March were 2.28p months to December 21 1987 (1.960) and the interim dividend Structures, maker of steel framed buildings for 21.1m satisfied by £800,000 cash and the balance in shares. For year ended April 30

1987 Westbury made pre-tax prof-

its of £179,000 on turnover of

the period were £766,000.

ets at the end of

Ingersoll Locks for £2m, including repayment of inter-company loans, to Yale and Valor. The sale is part of Alumasc's policy to concentrate on mainstream activities.

AMBRIT INTERNATIONAL, Company is capitalised at £8.5m.

USM-quoted oil and gas exploration group, reduced its pre-tax loss to £427,544 in 1987, compared with £1.4m in 1986. Loss per share was 1.90 (6.50).

ASDA PROPERTY has contracted to acquire for £4m cash the head leasehold interest in 6.9 Snow Hill, London, from the Church Commissioners. Current net income is nearly £229,000

making a large acquisition which tion of stock and work—in—progress at April 22, 1988,expected to approval for be around £675,000. Of this, \$2423,733 in cash paid on completion and balance will be paid suspension price of 27½p, the company is capitalised at £8.5m.

EQUITY & LAW International property developer, to \$2427,544 in 1987, compared with £1.4m in 1986. Loss per share in come before equalistication for \$2427,544 in 1987, company is capitalised at £8.5m.

LOGICA rights issue was taken up by shareholders representing 10.52m shares (95.7 per cent). The remaining 478,969 shares into acquire for £4m cash the head leasehold interest in 6.9 Show Hill, London, from the Church Commissioners. Current net income was of £91,641

Church Commissioners. Current representations are properly developer, to \$65.31p in net asset value per \$259,000.

months to December 31 1987. Fully diluted earnings per share were 2.48p (1.88p). A full year dividend of not less the previous

year's 1p is forecast.
HAMLYN MILLING proposes
early repayment of the £105,839
nominal 5 per cent debenture **Public Works Loan Board rates** 

ALLIED RESTAURANTS is buying a site in Dalston from United
Biscuits UK where Allied will
an electrical sub—contractor, for LILLESHAIL has acquired the
payment 2.2p (2p) for a total of ing a site in Dalston from United Biscuits UK where Allied will open its 20th Wimpy counter—service restaurant. The restaurant will begin tradinghefore

27,174 ordinary shares at 184p businessand assets of the Ideal williams division of McKechnie. 5.5p (5p).
SINTROM proposes to buy the On Line Group for a maximum \$2.5m, of which film payable in cash on completion. Balance in shares and/or cash in 1991.

ENTERTAINMENT SERVICES, Consideration, which will be the video cassette distributor, is determined following the valuamaking a large acquisition which tion of stock and work—in—prog-

(1.95p) and the interim dividend is being raised to 1.5p (1.4p). ORCHID TECHNOLOGY: sales fell from \$11.18m to \$7.08m in the nine months ended March 31 1988. Operating net income before tax rose from \$380,000 to \$406,000. The USM quoted company plans

product line in personal comput PRUDENTIAL Property Services has expanded its presence in the West Midlands through the ition of three estate They are Liewellen, Barry J Morris and Nigel Clements.

RECORD HOLDINGS chairman Mr Michael Mallatt told annual meeting that sales in first quarter

to introduce this quarter a new

were comfortably ahead. Interim figures "should not disappoint". RIVER & MERCANTILE Geared Capital and Income Trust 1999 reported net asset value per pre-ferred capital share of 26.05p at earlier. Per ordinary income share the figure was 58.04p

This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange it does not constitute an invitation to the public to subscribe for or to purchase any securities.

9% 9% 18 9% 9% 9% 9% 9% 9%

Application has been made to the Council of The Stock Exchange for the grant of permission to deal in the whole of the issued share capital of Kiny Little Group pic in the Unlisted Securities Market.

It is emphasised that no application has been made for these securities to be admitted to listing. ngs are expected to commence on 3rd May 1988.



Kitty Little Group plc

SHARE CAPITAL

£600,000

Authorised

In Ordinary shares of 5p each

issued and now being issued fully paid

Placing by...

LAURENCE PRUST & CO. LTD. of 1,944,444 Ordinary shares of 5p each at 90p per share

The Group designs, manufactures and markets practical, decorative room fresheners and fragrant gift products.

Particulars relating to the Company are available in the Extel Unlisted Securities Market Service and copies of such particulars may be obtained during normal business hours on any weekday (Public Holidays and Saturdays excepted) up to

and including 11th May 1988 from-

Laurence Prust & Co. Ltd. Basildon House, 7-11 Moorgate London EC2R 6AHL

27th April 1988

ter & Braithwaite Limited, 22 Austin Friars, London EC2N 2LA.

## Ward profits rise £1m to £4.3m

WITH all areas of activity contributing, the Ward Group of building components and structures manufacturers raised its turnover from £59m raised its turnover from 259m to 275m and pre-tax profits from \$3.28m to 24.3m in 1987.

It was stressed that three new activities were still in a gestation period. They were Multibeam at Sucometal in France, Moduciad Composite Panels at Ward Building Composents, and Geometrica Partiponeuts, and Geometrica Parti-tioning at Ward Interiors.

The year saw Ward's entry into multi-rise structural steel-work, the introduction of tapered floor beams for deep-plan commercial buildings,

plan commercial buildings, relocatable partition systems and a range of composite panels for roofs and walls of low-rise buildings.

Ward also acquired the Belgian company Chamebel - no costs have been taken to account. It broke even on turnover of £29.6m and will benefit this year from a major restructuring implemented. restructuring implemented over the last three years. This established Ward as the larg-est curtain walling company in

Burope.

Earnings per share came to 12.6p (10.3p) and the final dividend is 2.8p for a total of 4.3p. dend is 2.8p for a total of 4.3p. Had the group been listed for the whole of 1986 the dividend for that year would have been

### BDA over £1m

RDA Holdings, property developer, increased its pre-tax profit from £971,000 to £1.08m in the year ended January 31 1988. Earnings came to 8.4p (9.2p). The final dividend is

## SHT expands US housebuilding side

Scottish Heritable Trust, industrial and property group with 31 per cent stake in North American terests ranging including fireworks and oriental carpets, is strengthening its US housebuilding arm through the acquisition for up to \$15m (\$2m) of the Fox Ridge Group of Nashville.

The acquisition, funded by cash, will push SHT's gearing to above 30 per cent. The company said vesterday it had no intention.

All outsing Corporation, Maryland fabricated homes maker, and 6 per cent of Washington Homes, another housebuilder.

Fux Ridge had sales of \$2m last year, compared with Haven Homes' \$25m. Pre-tax profits were \$3.13m.

said yesterday it had no intention
of making either a rights issue or a vendor placing in the near homes. Sales are projected to rise

future.

For Ridge will become SHT's SHT said it is likely to sell its second wholly-owned subsidiary, complementing Haven Homes, to an American company which Pennsylvanian manufacturer of is making a bid for all its shares.

## Camotech rises sharply

Camotech, maker of automotive USM down to the Third Market components, plastics and aircraft in order to buy aircraft seat components, plastics and aircraft in order to buy aircraft seats seats, achieved strong growth in all areas with pre-tax profits up from £132,000 to £538,000 for the half year to February 28, 1988.

Turnover more than trebled to 59.93m (\$3m), Earnings per share were 5p (1.1p) and the interim dividend 1p (0.686p). Last September the company moved from the

Triefus profits rise 11%

21.42m on turnover up from ings per share came in at 7.23p 224.5m to 228.7m for the year to (5.7p adjusted).

A final dividend of 2.5p has been recommended making a total of 3p (adjusted 0.96p).

Trading results of overseas subsidiaries have been translated third market comparison.

Triefus, diamond trader and tool—Taxation took £437,000 maker, increased pre-tax profit (£455,000).Extraordinary credit by 11 per cent from £1.28m to was £70,000 (£136,000) and earn-

Trading results of overseas subsidiaries have been translated third market company which speinto sterling at average rates for the year instead of rates ruling at year end, and this resulted in a profit reduction of \$66,000 before tax.

Beckenham Group, Kent-based third market company which speints in ducting in high-rise buildings, announced a rights issue to raise £4m to finance profit reduction of \$66,000 before tax.

## Scott & Robertson exceeds forecast

Scott & Robertson was expec ing pre-tax profits of at least £1.5m for 1987 and this has been besten with £1.62m, com-pared with £1.68m restated for

The first half figures of this manufacturer of packaging products and fabrics were held back by increases in the price of polythene polymer. Turnover in the latest period

Turnover in the latest person rose 25 per cent from £28.04m to £22.49m, but the operating profit fell from £2.31m to £2.08m.

After tax of £267,000 (£355,000) and an extraordinary credit of £118,000 (ail) certainer per chara rose to

earnings per share rose to 15.93p (15.57p).

15.93p (15.57p).

The 1986 comparisons are restated to incorporate the acquisition of of PLC Packaging (UK).

The accounts of Foam Plus have been consolidated on an equity basis to reflect the company's 50 per cent interest.

pany's 50 per cent interest.

### Gas payments mainly on time

British Gas shareholders appear largely to have heeded calls for the third and final instalment on their shares, due by April 19. The Department of Energy said that more than 95 per cent of payments had been counted, and that the backlog was expected to be cleared by the week's end. Payments were still arriving, and there were no plans to refuse the money. Non-payers or late-payers could lose entitlements to their

£52.7m

**RATNERS** ANOTHER SPARKLING YEAR Pre-tax profits up 132% to £52.7m. EPS up 44% to 21.7p. Turnover up 128% to £360.2m. Rainers have had yet another record £22.7mbreaking year, the fifth in succession. Pre-tax profits have doubled for the third consecutive year. Earnings per share have increased by over 450% in that time. Over the last 5 years Ratners has become the fastest growing retailer in the UK. Last year we acquired our first chain of jewellery shops in America. So Ratners is now sparkling on both sides of the Atlantic. If you'd like the full success story, get a copy of our 1988 Annual Report from: The Secretary, Ratners Group plc, 25 Great Portland Street, London W1N 6HN. £4.4m £2,1m £1.3m 1984

## RATNERS GROUP plc

ratners . H samuel . Eenest jones . Terry's . Watches of Switzerland . James Walker . Sterling inc (USA)

# Judgment due in appeals on Tin Council collapse

debts of about 1900m.

to the House of Lords for a final ruling by the Law Lords.

The final issue on which the

court will rule today is whether the European Community is immune from English court pro-ceedings. The EC is a member of

Six matters were before the Court of Appeal during the seven-week hearing that ended on March 8. There were four appeals by ITC creditors, one by the ITC and an issue involving the legal

The most significant appeals, which were heard together, were those in two of the so-called direct actions. direct actions, by which theFTC's creditors hope to have its mem-bers held liable for its debts.

JUDGMENT is to be given today Britain and the EC national Tin Council (ITC) with \$16m ITC creditor, and Maclaine

on the first round of appeals in litigation resulting from the collapse into insolvency of the International Tin Council (TTC) with Other broker and bank credi-Watson owed £5m - two High tors of the ITC joined in the Ray-The expectation is that, whatever the outcome in the Court of the the Market in the personality, separate from its actions by those other creditors, members, and therefore was alone responsible for its debts. one responsible for its debts. damages for alleged regligence or Mr Justice Staughton held that negligent misrepresentation, are the ITC had entered into con- expected to reach the High Court

tracts for the sale or purchase of later this year.

tin on its own behalf and not as agent for its members.

In the second phase of the appeals Maclaine Watson chal-The creditors contended that lenged the High Court's refusal the members were jointly and to appoint a receiver of an severally liable for the debts. On the appeal Mr Mark Litt- on its members to contribute to man QC, for Maclaine Watson, its debts. Amalgamated Metal argued that in the eyes of Trading, another London Metal English law the ITC was an unin- Exchange broker, challenged the corporated association of member states engaged in trade, the members of which were jointly and severally liable. That was either because the ITC had no distinct legal persona or, if it had, it was not of a character to exclude the and location of its worldwide several to decisive Weekleyn Western

# Quantities of coal traded worldwide set

BY MAURICE SAMUELSON

traded internationally last ye but European Communitimports fell because of low electricity growth rates and higher output by nuclear-power stations says New York-based Chase Man

imported by Japan, the world's leading steelmaker, fell. Other Aslan steel-producers increase

internationally of which: 283m tornes moved by sea. Just more than half was steam-coal, the rest metallurgi-

Coal exports (m tonnes)									
	1986	1967							
US	77.6	77.2							
Australia	92.0	102.0							
S.Africa	45.5	42.6							
Canada	25.9	26.3							
Colombia	6.2	9.6							
W.Germany	7.5	5.8							
UK	2.8	2.4							
Poland	34.4	\$1.0							
USSR	25.4	27.1							
China	9.9	13.1							
Others	8.9	9.0							
Total	336.1	340.9							
Seaborne	275.5	283.0							

The amount of coking-coal imported by world steelmaking about 164.4m tonnes. Steam-coal imports, mainly for power-stations, rose by 0.8 per cent, to 176.5m tonnes.

Korea and Talwan showed the greatest rises in coking-coal imports, reflecting steelmaking In Japan, coking-coal imports dipped by 3.7 per cent, to 67.1m

Steam-coal imports by France fell 3.9m tonnes. Imports by West Germany and the UK fell by 1.9m and 1m tonnes respectively. US sales for the year reflected lower demand in western Europe and tough competition by other

## Zinc price rises to its highest for 13½ years

ity Kenneth Gooding, Mining Correspondent

The price of zinc rose to \$1.091 tonne in early trading on the London Metal Exchange yester day, the highest level for 13% years, but analysts suggested it might climb a little higher in view of the current tightness of

supply.

Following the market trend the European producer price of zinc has settled this week at \$1,050 a tonne, having risen by \$210 or more than 25 per cent in the past five months.

One producer, Noranda, the Canadian group, is charging \$1,050 a tonne. But there is some doubt about whether it will be able to stand alone for long.

Some traders suggested that
the zinc price has risen too far
and too fast and that the market

was due for a correction.
But the price of metal for delivery in three months eased back only slightly in late trading to \$1,076.
Mr Neil Buxton, of Shearson Lehman Huiton's London Metals Research Unit, predicted that the zinc price could reach \$1,200 in three months.

He said he now expected that

there would be an 80,000-tonne shortfall in zinc supply this year compared with a forecast made last November of a 30,000 tonne One unexepected development in the first quarter of 1988 had been the emergence of the Chi-nese as substantial net purchas-

Mr Robin Bhar, an analyst with London-based metal traders Rudolf Wolff, said that, although the pace of the rise had taken him by surprise, a price of \$1,000 to \$1,000 was justified. He pointed out that the trade had now become convinced that

zinc supplies were much tighter than had been expected earlier this year in view of heavy

## Manager of rubber stock expects disposal to affect surging prices in coming weeks

THE INTERNATIONAL Natural A TOP United Rations official Rubber Organisation (INRO) yesterday welcomed international moves towards gramme to have an impact on cooperation on trade in sugar; prices in the coming weeks.

Mr Aldo Hofmeister, the buffer-stock manager, said this in response to disappointment by consumers at the Inro council meeting here that buffer-stock sales do not appear to have had any appreciable impact on surg-ing prices.

ing prices.

Mr Dieter Stiebel, the outgoing into deputy executive director, acknowledged that into was puzzled by the rubber market performance. He said he believed the high prices were due to strong fundamentals as shown by the way rubber later had taken off so dramatically.

THE INTERNATIONAL Cocoa

Organisation's mission, now in Malaysia, is unlikely to succeed to persuading Malaysia and Indonesia to join it in view of the

enormous potential for cocca cultivation in the countries, diplomats in Kuala Lumpur said yes-

While officials from the Malay-sian Ministry of Primary Indus-tries maintained that they would

adopt "an open mind" to the sub-mission of the ICCO mission, Malaysian growers have voiced their full opposition to ICCO

in a memorandum to the ministery, the Malaysian Cocoa-Growers' Council said the country's national interests would not be served by joining ICCO, because it would then be subject to production and export quotas.

BY WONG SULONG

tional moves towards er and tin, but regrett that there were problems over accords on rubber and cocos, Reuter reports from Geneva.

Mr Kenneth Dadzie.

Secretary-General of the UN Conference on Trade and Development (UNCTAD), told the opening session of a two-week meeting of the UNCTAD board that the arrival of a new International Sugar Agreement was encouraging. He also welcomed decisions by govern-

242 cents in early January. way rubber latex had taken off so dramatically.

Mr Hofmeister began selling RSS 1, the premium sheet grade; when the price breached the may-sell level of 222 malaysiam/ a seven-year high. tember, and stepped up his disposals when the price broke through the "must-sell" level of stockpile, much of it during the past three months. Into is now

Scepticism over cocoa mission

Cocoa-growing nations are meeting in Togo's capital this week to discuss the problems of high stocks and sagging

prices, Renter reports from

There were few early indica-tions of what action the Cocoa

Producers Alliance (CPA) might take, One suggestion is to increase chocolate consump-

so microsse enocolate consumption in Africa, where little is eaten, or to take unspecified measures to reduce production.

Cocoa industry analysts interviewed before the meeting doubted whether it would find

a way to solve the producers'

It said that about 40 per cent of

it would then be subject to production and export quotas.

The memorandum also pointed out that membership would mean Malaysian cocoa exports would carry an ICCO levy of \$30 dalaysian state of Sabah before in modulesia, the two fastestgrowing the country's cocoa exports were pointed to non-ICCO consumers.

Although the cocoa price, at about 2900 a tonne, is at a five-year-low, Malaysian and Indonesia, the two fastestgrowing the country's cocoa exports were pointed to per cent of indonesia, the two fastestgrowing the country's cocoa exports were pointed.

Although the cocoa price, at about 2900 a tonne, is at a five-year-low, Malaysian and Indonesia, the two fastestgrowing the country's cocoa exports were pointed out that membership would mean Malaysian cocoa exports where no such levy is paid.

The ICCO mission, led by Mr year-low, Malaysian and Indonesia, the two fastestgrowing the country's cocoa exports were pointed out that membership would mean Malaysian cocoa exports where no such levy is paid.

The ICCO mission, led by Mr year-low, Malaysian and Indonesia, the two fastestgrowing the comparison.

in south-east Asia is coming to ments to convene negotiating conferences on the and copper. Mr Stiebel, who leaves on Sat-urday after seven years with Inro, said the rubber agreement At a meeting under UNCTAD auspices here earlier this month delegates from 30 countries agreed to hold talks later is the most successful commodity tide year about setting up an international study group on agreement today. This was largely due to the realistic intertin. The group would serve as a centre for production and trade statistics on tin and vention price range, and the effectiveness of the BSM in keep.

Mr Dadzie said delays in ratification processes, particularly by importing countries, were preventing implementa-tion of a new International Natural Rubber Agreement.

thish with funds, having raised as much as 500m ringgit from its price stabilisation sales. Traders agree that rubber prices are expected to soften in the coming weeks unless there is an upsurge in demand. They say 'as much as 100,000 tonnes of Inro rubber are on their way to con-

meeting Malaysian cocoa offi-cials, lad by Datuk Wong Yoke Meng, the primary industries secretary-general on Thursday in

current world cocoa glut cannot

be tackled effectively without the co-operation of Malaysia and Indonesia, the

sia, the two fastestgrowing

operations, cannot do much now when the prices are down due to mited funds. "The International Sugar Agreement is also not functioning effectively as the European Community, which is the largest producer and exporter, is not a

ing prices within that range.

"The International Tin Agreement has gone bankrupt. The International Cocoa Agreement, although it has buffer-stock

Mr Stiebel's successor is to be Dr J. Knote, currently commer-cial counsellor at the West Ger-man embassy in Peking.

## Farmers in protest over Chernobyl

By Bridget Bloom

secretary-general on Thursday in Kuala Lumpur.

The mission will visit Jakarta from May 1 to 3 for similar discussions. Diplomats in Kuala Lumpur feel that Indonesia is likely to adopt the attitude that it would only consider joining ICCO if Malaysia agreed to as well.

Last year, Malaysia's cocoa production was 182,000 tonnes, making it the fourth-biggest producer, while Indonesia produced about 45,000 tonnes.

ICCO producers feel that the current world cocoa gint cannot THE HOUSE of Commons Select Committee on Agriculture opened an enquiry yesterday into the British Government's han-dling of the after-effects of the Chernobyl nuclear accident. At its first hearings in Carlisle yesterday, the second anniver-sary of the Chernobyl explosion in the Soviet Union, the commit-ties heavyl from Mr Chris French

vice-president of the National Farmers' Union. He said it was "completely unacceptable" that nearly two years after the Government had imposed restrictions on sheep movements in areas affected by fall-out from the accident, 122 farmers in Cumbria and north Wales were still awaiting com-

tee heard from Mr Chris French,

pensation.

The "small sum" of some 2500,000 was all that was being claimed for the Cumbrian and Weish farmers, compared with 25m that had already been paid to many of the 9,000 farmers who were originally covered by the restrictions.

sate farmers for loss of liveli-

mour the movement of sheep from some 500 farms in Cumbris and north Wales, principally because scientists have found that the peaty

# record last year while EC imports fell

hattan Bank.
The amount of coking-coa

mports. The bank says, in its quarterl coal-situation report, that about 340.9m tonnes of coal was trade

The total traded was 1.4 per ous record year.

### WEEKLY METALS

All prices as supplied by Metal Ib flask, in warehouse, 275-285 Bulletin (last week's prices in (280-290).

market 99.6 per cent, \$ per tonne, in warehouse, 2,250-2,290 (2,280-

BISMUTH: European free mar-ket, min. 99.99 per cent, \$ per lb, tonne lots in warehouse, 5.20-5.55 ket, min. 99.5 per cent, \$ per Ib, in warehouse, ingots 8.00-8.40 (8.30-

8.60), sticks 8.00-8.40 (8.30-8.60).

MOLYBDENUM: European free ANTIMONY: European free market, drummed molybdic market 99.6 per cent, \$ per tonne, oxide, \$ per lb Mo in warehouse, a warehouse, 2,250-2,290 (2,280-3.75-3.85 (same). SELENIUM: European free market, min 99.5 per cent. \$ per lb, in warehouse, 10.30-10.55

(10.80-10.60). TUNGSTEN ORE: European.

# Norway to seek

NORWAY'S Oil Ministry sald yesterday that it would seek approval this year from the coun-try's Parliament to develop oil fields in the Haltenbanken basin off central Norway, thereby effec-5.25-5.55).

CADMIUM: European free marinet, standard min 65 per tively abandoning a ceiling free market, standard min 65 per tively abandoning a ceiling tet, min. 99.5 per cent, \$ per it, in cent, \$ per tonne unit (10 kgs) placed on offshore investments, was a ministry statement said the minority Labour Government would publish a white paper for an early development phase of ket, 99.5 per cent, \$ per lb, in warehouse, 6.80-7.05 (6.85-7.05).

MERCURY: European free market, min. 99.99 per cent, \$ per 76

MERCURY: European free market, min. 99.99 per cent, \$ per 76

MERCURY: European free market, min. 99.99 per cent, \$ per 76

MERCURY: European free market, min. 90.99 per cent, \$ per 76

# approval on oil

Opec seeks production cuts from non-member nations

**US MARKETS** 

release of the U.S. GNP figure, trade and

local selling touched-off light stops to ease prices, reports Drexel Burnham

rapidly as near-term support sreas were penetrated. However, fund buying led to local short-covering as the markets.

responded to a raily in the energy futures.
Crude oil was relatively quiet in advance of the O.P.E.C. Meeting which began today. However, late in the day, the market railled on mixed short-covering. In

the products, tightness of nearby supply fed to steadiness in the futures. Coffee

was slow, dominated by local activity. Good railled with technical and industry

buying and speculative short-covering. Sugar failed to make any headway

THE ORGANISATION of Petroleum Exporting Countries (Opec)
is looking to non-member producers to offer cuts in output before making any proposals of its own aimed at restoring prices to \$18 per barrel.

A confusing and muddled condense at the state of them represented at ministration at restoring prices to \$18 per barrel.

Opec is understood, according to the prospect as Opec sought to obtain co-operation of other producers whose recent increases in output and exports has undermined reduction in supplies of at least 500,000 barrels a day and perhaps as much as 1m barrels.

No specific goal, however, was set by a committee of six members set by a committee of six members set by a committee of six members are anothers and common position prior to an Brunei is not represented. Also

Mr French argued that in case of such accidents in the future, the Government should have a

soils of the two areas continue to allow radioactive particles to be drawn up by the roots of plants

### WORLD COMMODITIES PRICES **LONDON MARKETS** COCOA E/tonny LONDON METAL EXCHANG Close

ubstantial gains it made on the London Metal Exchange on Monday when the cash price rose by \$2,450 to \$20,900. The price eased back by only \$175 yesterday. The price for metal for delivery in three months, which rose by \$500 to \$15,400 on Monday, slipped back by only \$25 yesterday. A new factor has emerged to add to the market's nervousness about potential shortages of supply. Political unrest in New Caledonia is being watch closely as a possible cause of further

disruption to an aiready very tight general supply situation, traders said. Carrying interest in cash metal for a day remained brisk with premiums of \$70 and \$60 paid compared with \$50 late on Monday and \$140 paid at one stage on Friday. Aluminium prices railled in the afternoon but the price of high-grade (99.7 per cent) metal eased back by \$30 to \$2.320 by the end of the day. Traders said commission house selling and liquidation continued.

SPOT MARKETS

\$15 65-5 75t \$17.15-7 25w \$18.40-8.45t belivery per tor	+0.05
\$18.40-8.450	+0.05
divery per lor	
	unack+) + or -
S169-192	
	-1
3161-164	•
	+ 07 -
\$447.76	-1.75
	-8
	-6.4
\$123.00	+0.75
\$2305	-65
	-14
35.5c	_
900c	
	+5
17 33/	-0.02
319 Oc	
5( %c	
109 65p	-0.42"
200.56b	+7.80°
67.70p	-0.29
\$234.23	+12
	+35
	+1.0
	\$156-138 \$36-88 \$161-184 \$161-184 \$161-184 \$161-184 \$161-184 \$161-184 \$17.35 \$122.00 \$2005 \$102.00 \$2005 \$102.00 \$2005 \$102.00 \$123.00

-5 -0.20 65**5p** c-contails r-ringgilling w-May u-Apr/May, x-had Jul y-Apr. 1-Jun. s-Mey/Jun.†Meat Commission

0.25

+0.25 +0.25 +0.25

Barley (English feet) £107.5e Meize (US No. 3 yellow) £132.0u Wheat (US Dark Northern) £93.50e

Rubber (July) \$\Psi\$ 70.75p Rubber (KL RSS No 1 Mar) 311m

Turnover: 4026 (4341) lots of 10 tormes ICCO indicator prices (SDRs per tonne). Delity pric for April 25: 1209.14 (1197.88) .10 day average & Close 1078 1099 1121 1140 1161 1181 1200 Turnover: 2312 (2004) lots of 5 tonnes ICO indicator prices (US cause per pound) for 25: Comp. dally 1979 117.10 (118.57); 15 day age 118.80 (116.78). SUGAR \$ per lonne 197.40 202.20 196.40 201.80 196.80 203.20 196.20 193.00 197.00 193.00 198.00 203.80 203.40 196.60 203.00 195.40 214.00 196.00 201.60 197.00 202.20 199.00 White Close Previous High/Low 238.50 242.50 257.00 239.50 298.90 238.00 279.80 244.50 243.00 238.00 240.60 237.00 287.00 242.20 240.00 151.75 148.25 152.50 151.50 148.75 147.76 147.50 148.50 148.25 147.25 148.00 148.00 152.25 148.25 147.25 147.75 Turnover: 2346 (2551) lots of 100 tonnes Clase Mary Jily Sep Nov Jen Mar 103.20 103,15 105.60

20,965% puris C per tonne Copper, Grade A (£ per los 1129-30 1070-1 1145-7 1686-7 ash 1080-80 months 1035-40 Cash 532-5 3 months 642-5 Lead (2 per tonne) Cash 346-8 3 months 331-2 343-6 326-30 348-8 335-6 Mickel (3 per tonne) Zins (£ per torne 583-4 575-5.5 POTATOES Efforme High/Lov 84,0 82.1 88,5 88.5 127.5 135.0 Close Previous High/Low 124,60 123,50 124,50 127,50 124,00 123.00 123,50 123,00 128,00 er: 214 (158) lots of 100 tonnes 1277.5 1240.0 1544.0 1340.0 1360.0 1255.0 1390.0 1395.0 1275.0 1240.0 1375.0 1340.0 1376.0 1340.5 1400.0 1367.5 1280.0 1280.0 1385.0 1260.6 1358.0 102-35 105-25 101-20 103-15 105-80 107-70 110-00 101.90 104.95 101.20 103.20 103.90 107.80 110.05 Turnover: 929 (700) Barley Close High/Low 101.90 98.40 101.00 103.00 101.90 101.75 Apr 25 Apr 22 mmth, ago yr ago 1757.1 1746.0 1743.0 1560.0 105.65

AM Official Kerb close Open Interest , 19.7% purity (\$ per torn) Ring turnover 0 tonne 2310-30 2705-25 2340-80 2110-30 2110-30 2090-110 4,898 lots Ring turnover 20,100 tonne 40.683 lots 70,923 lots Aling turnover C tonne 13 lots Ring turnover 0 oza 886 lots Ring turnover 13,000 tonne 329-30 10,475 tota Ring turnover 2,582 tonne 7,089 lots Ring turnover 11,150 tonne LONDON MULLION MARKET 460-465 460-465 460-465 447-460 255-242 115-123 461-466 46-51 105-4-106-1 105-4-106-1 527-3-538-2 US cta equiv 838.25 849.55 661.76 686.80 339,85 346,85 354,10 369,40 LONDON NETAL IN ploture (99.7%) Puts May July May July 335 226 185 141 65 126 214 Cells Puls Copper (Grade A) DOW JONES (Base: December 31 1974 = 100)

following yesterday's rally, overhead producer and trade selling saw the market ease. The means were quiet and lacklustre, the only feature being apread activity in the live cattle futures. Uncertainty over new crop growths led to forward strength in corn and the cash forward strength in corn and the cash market had a steady undertone. Chicago wheat derived some support from commercial buying against a tender by Egypt, while Kanasa city eased with hedge selling against today's suction. Minneapolis wheat was weak reflecting forecasts of rains. Possible buying by India and Pakistan firmed otherwise quiet sections and sevent markets with a sevent section. soybean and soyoli markets, while meal was featureless. **New York** GOLD 100 tray oz.; \$/tray oz. 447.5 448.2 452.5 468.2 481.5 PLATERING SO VOY OZ. \$/troy OZ. 515.9 518.4 524.4 530.9 587.9 544.9 515.0 522.0 525.0 531.5 0 512.0 513.5 520.0 529.0 525.5 532.0 539.0 546.0 SILVER 5,000 troy oz; cents/troy oz. 638.1 638.5 642.9 647.2 655.4 698.6 672.8 682.2 691.8 635.5 641.0 645.4 653.6 650.8 670.8 680.0 680.6 0 632.0 640.5 641.0 649.0 662.0

Chicago COPPER 25,000 lbs; cense/lbs OYAMEANS 5,000 by min; cente/60th bushe 91.85 90.95 82.15 87.35 84.65 80.30 79.00 78.00 77.30 89.80 90.05 BE.00 85.35 84.30 81.00 High/Low 659/2 672/2 676/4 685/0 683/2 701/0 705/0 705/0 80.00 0 18,44 18,50 18,51 18,17 18,67 16,65 18,00 18.40 18.34 18.27 18.21 18.15 18.03 17.97 17.92 18.45 18.42 18.34 18.29 18.18 18.08 21.78 22.17 22.40 22.53 22.62 22.92 22.91 22.85 22.95 22.95 22.59 23.03 23.23 23.42 23.77 23.76 23.65 23.70 23.70 51,21 49,03 48,43 48,78 49,39 May Jul Aug Sep Oct Dec Jun May 195.1 195.0 196.5 196.5 197.2 200.1 200.5 203.7 206.0 Previous High/Low 1863 1864 1614 1645 1685 1710 1736 1780 1679 1608 1608 1609 1728 1749 1779 MAZZE 6,000 bu min; cents/56ib bushel 208/0 214/2 228/2 231/2 236/4 238/0 COFFEE "C" 57,500ths; or 134.81 136.25 137.50 139.25 140,01 141,28 142.00 143.00 135,00 136,70 137,70 139,35 140,15 140,51 134.32 136.80 137.00 138.70 139.25 140.00 Close 312/0 321/4 328/4 338/6 344/0 G 140.50 313/6 SUGAR WORLD "11" 112,000 lbs; cents/fbs .Pres ous High/Low 5.77 5.77 5.65 5.65 5.65 5.65 5.65 Jun Aug Oct Dec Feb Apr Jun 70.17 67.32 98.85 68.30 67.70 68.90 70.60 67.52 68.97 68.40 67.86 68.90 67.30 68.75 68.10 67.65 68.75 68.75 63.17 67.72 68.90 68.75 65.05 \$1.80 \$1.65 \$5.82 \$8.60 \$6.92 65.20 62.20 57.35 56.20 55.60 56.40 6483 8189 5899 5818 6880 6687 64.65 61.30 55.40 55.11 55.78 56.40 Jun Jul Aug Oct Dec Feb 49,82 49,17 47,42 43,22 44,50 44,22 48.42 49.10 47.22 43.10 44.40 44.72 43.37 44.85 44.85 INTERNATIONAL RESIDENTIAL PROPERTY PORK BELLIES 26,000 lbs; cents/go 52.10 51.87 50.85 60.47 60.32 \$2.05 52.25 51.25 60.70 60.40 51.72 50.62 60.20 59.65 51.52 50.47 59.95 59.65

. WELETS

## CURRENCIES. MONEY AND CAPITAL MARKETS

### **FOREIGN EXCHANGES**

## Confusion follows GNP data

Sentiment surrounding the pound appears to have changed however, and the market now

Currency.
Upward pressure on the pound

pean trading, to finish little changed, after a period of some volatility on publication of first quarter US Gross National Prod-

The up and down movements in the dollar were not enough to move the currency out of its recent range, but indicated the mood of uncertainty in the mar-

A rise of 2.3 p.c. in first quarter growth, compared with 4.8 p.c. in the fourth quarter of 1987, was in line with the general range of forecasts.

A gain of 2.4 p.c. in the implicit price deflator - a guide to US inflation - compared with 2.7 p.c. in the fourth quarter, was a little below expectations, but the dollar began to weaken on further analysis of the data.

Mr Rupert Thompson, economist at Morgan Grenfell, said the breakdown showed rather higher inflation and a slightly stronger economy than the headline fig-

ures suggest. The main fear in the market was that a sharp rise of 3.8 p.c., or \$23.50n, in first quarter real personal consumption will prove inflationary and bad for the US trade position.

This caused a set back for the dollar but it recovered to close

dollar, but it recovered to close around the highest level of the day against the D-Mark and yen, although still slightly lower on

The dollar fell to DM1.6750 from DM1.6775; to Y124.75 from Y124.80; to SFr1.3865 from

protest e

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Previous Class 1.8775-1.8785 0.16-0.14em 0.40-0.35em 1.50-1.40em 1.8715-1.8760 0.17-0.14pm 0.48-0.43pm 1.95-1.40pm STERLING INDEX

**CURRENCY RATES** 

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**CURRENCY MOVEMENTS** 

782 925 139.64 149.7 175.8 175.8 175.8 26.4

OTHER CURRENCIES

**MONEY MARKETS** 

## London rates easier

No further assistance was provided in the afternoon.

Bills maturing in official hands, repayment of late assistance, and a take-up of Treasury bills drained 1657m. This out-

THERE WAS a slight easing of interest rates on the London money market yesterday.

Three-month interbank fell to \$40m.

Three-month interbank fell to \$40m.

Three-month interbank fell to \$40m.

In Frankfurt credit conditions continued to tighten. Call money rose to 3.30 p.c. from 3.25 p.c., as banks bid for funds to meet the D-Mark, but this attracted little attention. Designs noted that Bundesbank.

the D-Mark, but this attracted little attention. Desiers noted that the present level of the June short sterling contract on Liffe discounts a rise of ½ p.c. to 8½ p.c. in UK bank base rates, and that there was selling of the contract in late trading.

Day-to-day credit conditions on the money market were more the money market were more as per cent and per confortable than of late. The Bank of England initially forecast a money market shortage of the contract in spite of the 7.6 p.c. rise in M3 March money supply, which is above the official target for the year of 3 p.c. to 6 p.c.

Bank of England initially fore-cast a money market shortage of £150m, but revised this to £250m at noon. Total help of £270m was provided.

Before lunch the authorities bought £270m bills outright, by way of £20m Treasury bills in band 3 at 7% p.c., and £250m bank bills in band 4 at 7% p.c. No further assistance was pro-

### **FINANCIAL FUTURES**

## Gilts and bonds rise

term base. The main point of optimism centred on the fact that fell to 92.5 from 92.7.

Sterling opened weak, with dealers continuing to blame comments by Mr Nigel Lawson, the Chancellor, for the pound's decline.

Sentiment surrounding the pound's when the dollar was fixed at decline.

Sentiment surrounding the pound's with DML6725 in Frankfurt, compared with DML6725 in Frankfur

In Paris the D-Mark was fixed at FFr3.3968, against DM3.3960 previously. Trading was quiet, with dealers suggesting the market was calm after the first round in the French proceduated along the large of the first quarter US GNP data. June US bonds opened at 88-17

in the French presidential elec-tions. A level of DM3.40 is gener-ally regarded as a psychological barrier, and at present there seems no reason for the D-Mark Upward pressure on the pound appears to have abated, and in general sterling was on the side-lines yesterday, as attention focused on the dollar.

Sterling closed unchanged at \$1.8750 and at ¥224.00, but fell to DM3.14 from DM3.1450; to SFr2.60 from SFr2.6025; and to FFr10.6675 from FFr10.6675. focused on the dollar.

Sterling closed unchanged at \$1.8750 and at \$7234.00, but fell to DM3.14 from DM3.1450; to SFr2.60 from SFr2.6025; and to FFr10.6675 from FFr10.6775.

According to the Bank of England the pound's index closed unchanged at 78.2.

D.MARK — Trading raws.

The way strengthered against the pound's index closed unchanged at 78.2.

The way strengthered against the pound's index closed unchanged at 78.2.

The way strengthered against the pound's index closed unchanged against the pound's index closed unchanged against 222.1 six months ago.

unchanged at 78.2.

D-MARK - Trading range against the dollar in 1987/88 is the dollar in Tokyo, but trading 1.9806 to 1.5740. March average 1.6766. Exchange rate index 148.7 against 147.8 six months ago.

The D-Mark closed little Months ago. The yen strengthened against the dollar in Tokyo, but trading was very quiet ahead of publication of the US GNP figures. The dollar moved in a narrow range, closing at Y124.55, compared with Y125.00 on Monday.

EMS EUROPEAN CURRENCY UNIT RATES

POUND SPOT- FORWARD AGAINST THE POUND Care provide

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DOLLAR SPOT- FORWARD AGAINST THE DOLLAR 

**EURO-CURRENCY INTEREST RATES** のではないのはいないないかられるが、

Long term Eurodollars: two years 85g-85g per cost; these years 85g-85g per cost; four years 9-85g per cost; five year 95g-97ger cost, pendipol, Short term notes are call for BS Dollars and Lincoleon Vent colors, two deed analysis **EXCHANGE CROSS RATES** Yes F. Fr. S.Fr. H.FL. Lina CS B.Fr.

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Yes per 1,000; Franch Fr. per 10: Lira per 1,000; Seigian Fr. per 100.

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LONDON MONEY RATES

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pointed out that consumption recovery was higher than before the stock ing.

SFr1.3885; and to FFr5.69 from changed against the dollar in Frankfurt, as the market tried to find direction from confusing the dollar's exchange rate index that the dollar in frankfurt, as the market tried to contracts have found a short term base. The main point of continuism centred on the fact that on Liffe, and closed just below exchange crash last October. on Liffe, and closed just below exchange crash last uccover, the day's peak, at 88-27, compared in the US, confusion over the implication of the figures kept. This was a reaction to the investors out of the market, amid deflator figure, but there was some concern about the high level of consumption during the level during the level during the level first quarter.

Dealers suggested this should policies.

Dealers suggested this should volume in long gilt futures on not cause too much concern, liffle fell back to around 25,000, because the figures are historic, from over 32,000 on Monday, and there is no indication that spending continues to roar price of the contract, after two ahead.

On the other hand it was surprise, but that the level of pointed out that consumption was higher than before the stock ing.

LONDON (LIFFE)

Close High Low Prev. 108.24 108.35 108.16 108.20 107.49 107.56

Estimates Valore 12092(1889) Previous day's open lat. 7923(7962 CURRENCY FUTURES LUFFE-STEDLING £25,046 \$ per £

1-ests 3-ests 6-ests 12-ests 1.8733 1.8701 1.8645 1.8545

Low Pres. 1.8760 1.8715 1.8700 1.8664 1.8630 1.8626

DOLSTEDLINE \$4 per £

\$25-1.35 718-728 14-219 318-4 318-575 10-1016 6-619 8-814

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**Warrants to Purchase Common Shares** Please be advised that the Annual Report of The Seagran Company Ltd., for the tweive months ended January 31, 1988, is now available and a copy may be obtained by writing to: The Secretary, The Seagram Company Ltd., 1430 Peel Street, Montreal, Quebec, Canada H3A 189.

**JOSEPH E. SEAGRAM & SONS, INC.** 

Notice to Holders of Warrants to Purchase U.S. \$125,000,000 1214% Guaranteed Bonds due 1994

Guaranteed by The Seagram Company Ltd. Please be advised that the Annual Report of The Seagram Company Ltd., for the twelve months ended January 31, 1988, which incorporates the financial results of Joseph E. Seagram & Sons, Inc., is now available and a copy may be obtained by writing to: The Secretary, The Seagram Company Ltd., 1430 Peel Street, Montreal, Quebec, Canada H3A 189.

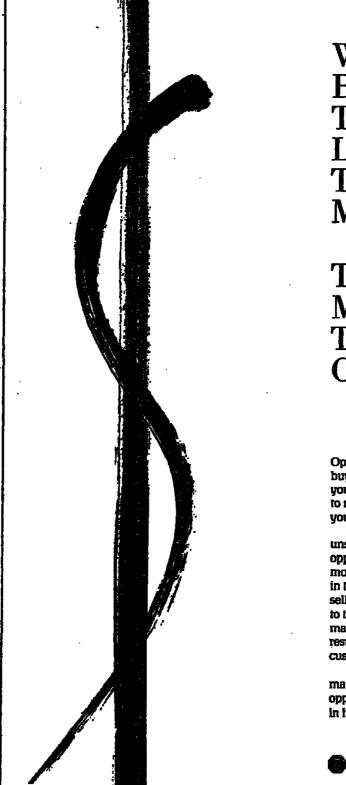
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FT 30 FTSE 100 WALL STREET

Apr. 1422/1434 +11 | Apr. 1791/1803 +14 | May 2042/2056 +19

Jun. 1428/1440 +12 | Jun. 1798/1810 +15 | Jun 2046/2060 +20

Prices taken at 5pm and change is from previous close at 9pm



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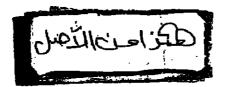
The CBOT open outcry-auction market system. The best liquidity. The best opportunity. The best price. We believe

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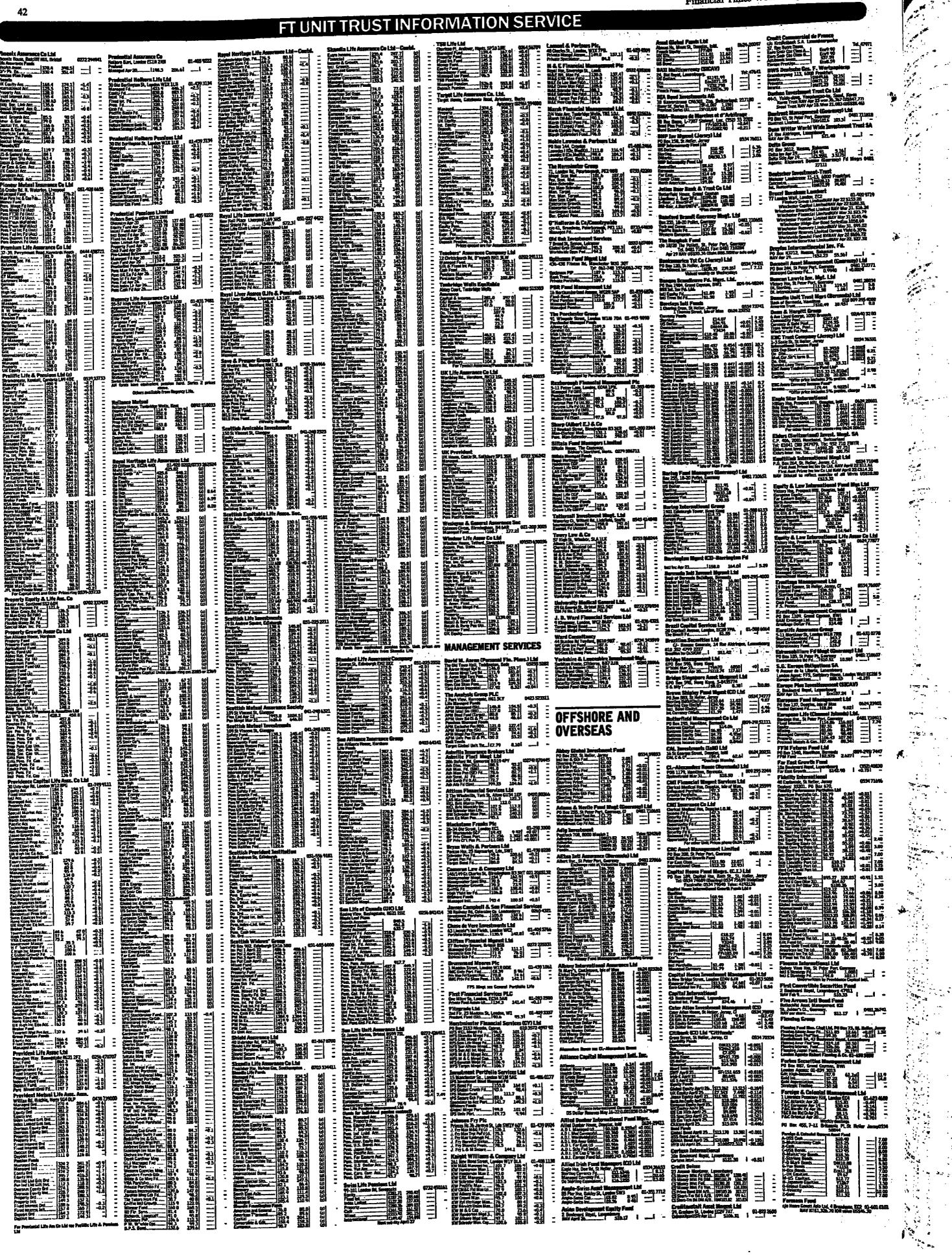
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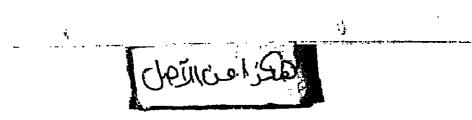
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ACROSS  1 Journalist about to drink (8)  5 Talisman given by graduate north of the border? (6)  9 Explosive may end it! (8)  10 Disc jockey in Northern I reland sees Muslim snirit (6)  11 Journalist about to drink (8)  5 Satisfied with second list of chapters in a book (8)  8 An' it's rank and following (8)  10 Disc jockey in Northern I reland sees Muslim snirit (6)  11 Journalist about to drink (8)  12 Chapters in a book (8)  13 One grass gone mad showing (8)	Second
11 Is mother after cleaner with personality? (8)  12 View new space by the junction (6)  14 Wild beast for example let this creature appear (4.5)  18 Runs on this at the Oval? (10)  19 Guard river insects (6)  20 Noiseless inlets at sea (6)	Princip   Prin
22 Mean to be at home and nurse (6) 23 In a word a maze (8) 24 A heavy stick is a rampart (6) 25 Seeing Indonesian port, man becomes industrious (8) 26 High 4 (6)	Companies   10.0   10
27 A French course points to having suffered no defeat (8) DOWN  1 Initially, regular trained cadet to compose (6) 2 Writer volunteers on 1st December for five years (6)  REDRESSER HENN Y ELONO 1 T 1 1  ARTISTS APSE	The State Enchange Linton ECOP 21.7 61.593.2065 21.204-201 Var. Ecopy 20.10 1.592.402.10 1.5 1.5 1.5 1.5 1.5 1.5 1.5 1.5 1.5 1.5
3 Stay with engineers on German river (6) 4 A time is not arranged for judgment (10) 6 He may be average in marine insurance (8)	Empiris (EFT 200 Post   10,4   10,6   10,6   10,6   10,7   10,6   10,7

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## 41 Financial Times Wednesday April 27 1988 771 b 943 4 95.2 55.4 93.2 54.4 93.2 24.9 24.9 24.9 24.1 24.1 lattical American lattical Fourth Interest lattical Engero Birtis. 177.0 1 Account Managed. 167.5 1 Account Managed. 168.5 1 Account Managed. 168.5 1 Account Managed. 168.5 1 Account Five State. 168.5 1 Pets Intt. Educativ. 168.5 1 Pets Int. Managed. 169.5 1 Pets Int. Managed. 169.5 1 Pets Int. Hanaged. 169.5 1 Pets Acc Leptiv. 169.5 1 Pets Acc American. 169.5 1 Pets Acc American. 169.5 1 Pets Acc Leptiv. 169.5 1 Pets Acc American. 169.5 1 Account. 169.6 2 Account. 169.6 2 Account. 169.6 2 Account. 169.6 2 Account. 169.6 3 Account. 169.7 5 Contributor Funds. 169.5 7 Pets Account. 169.5 7 Pets Account. 169.5 7 Pets Account. 169.5 7 Royal Tal High Priolic. 169.5 7 Pets Account. 169.5 7 Royal Tal High Priolic. 169.5 7 Pets Account. 169.5 | Signature | Sign HILD Seasoned Lifty / HILD Seasoned Lifty / HILD Seasoned Lifty / HILD Seasoned Lifty / HILD Seasoned 01-250750 -0.43 -0.45 -0.15 -0 101 462 3724 27 3.48 27 4.51 40.7 4.51 40.7 4.51 41.0 164 41.0 165 41.1 242 40.9 242 01-2012575 +0-51 = -+0-2 = -+0-5 = -+0-5 = -+0-6 = -+0-7 = -+0-7 = -+0-7 = -+0-8 = -+0-1 = -| Company | Comp Q-6386011 Schemart Ivery Unit Treat M G Carlotte Sa Editherat G Carlotte Sa Editherat Lance Units Lanc **92-740 78070** 203.4 179.1 75.5 97.1 75.5 97.1 76.8 110.4 110.0 174.0 105.2 194.0 412.0 157.2 250.6 142.7 173.2 173.2 174.8 104.8 104.8 923 9764 9764 9764 2018 1234 2018 1234 2018 1317 1351 999 ### Selection | Se Emily G. Mar 29. Emily C. Mar 29. Individual Funder Class Action State Interest Apr 5. Sell-control Per Fil. 1.39.2 Sell-control Per Fil. 1.39.2 Sell-control Per Fil. 1.39.2 Sell-control Per Fil. 1.39.3 Property Per Fil. 1.347.4 Sell-control Per Fil 145445 6 645666 646666 646666 | The control of the 440.0 70.6 130.0 432.5 To B. Lorgeon. 187.2 | 131.4 | -1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5





Financial Times Wednesday April 27 1988

Financial Times Wednesday April 27 1988  FT UNIT TRUST INFORMATION SERVICE	LONDON SHARE SERVICE
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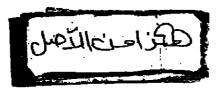
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the day at 11sp. Among the speculative issues, Birmingham Mint advanced 8 to 192p, while Camford closed 5 to the good at 165p.

But Delta Group, a good market

mium being put on well known branded products, particularly in view of the prospect of European economic union in 1992, drew

investors attentions to companies

such as Reckitt and Colman, up

Pilkington were caught up in

ing business, Argus Press, up for sale. The Argus group comprises UK business and consumer maga-zines and local newspapers in the London and Thames Valley

areas. A leading analyst stated yesterday that he expects the proposed sale to reduce the

ings. Some 2.2m BET shares changed hands.

Favourable trading statements

tional stocks. Many of the hig names were left out of the mar-ket, but there was a good US

demand for the ADRs of ICI,

which reports quarterly trading

Government bonds ended little

changed from overnight, after

shedding the small gains marked

earlier in the session. Traders

said there was a good two-way

trade, with prices responding at first to the firmer trend in US

since General Cinema of the US accumulated a stake of around 18

per cent in the company, were the first to respond to the Rown

significant presence and are free

to make an outright offer for the

THE TAKEOVER offer worth 22.1bn from Nestle of Switzerland for Rowntree Mackintosh, the UK chocolate and food manufacturer. touched off an extraordinary burst of speculative fever in the London stock market yesterday.

With the market savouring the prospects of the reinvestment of the FT-SE 100 Index pushed through the 1800 barrier once selective, and the Seaq volume total of 428m shares included substantial contributions for the pound and domestic interest rates. With some analysis total of 428m shares included sub-stantial contributions from the speculative stocks.

rates. With some analysts warn-ing that sterling could be over-valued, attention is focussed on

The Nestlé bid set UK food this Friday's announcement of shares ablaze and takeover fever the UK trade figures for March.
soon spread to the rest of the Food Manufacturing issues soon spread to the rest of the market, bringing a number of the held centre stage following the Alpha and other leading stocks bid by Nestle for Rowntree.

At the close, rumours of a dawn raid on Courtaulds this morning, perhaps by Hard-Line morning, perhaps by Hoechst of Cadbury Schweppes, under scru-Germany or Du Pont of the US; tiny as a bld stock for some time pushed shares in the textile leader up 32 to 384p. Unilever, despite its size and European sta-

cast an eye over its valuable consumer brand names.

The speculators, sensing a major multi-national contest for control of Rowntree draws the control of Ro chocolate maker's stock well above Nestle's 890p a share the latter is the next stock in the terms. Spurred on by the sector to attract an outright hid.

announcement by Jacobs United Biscuits, a long-stand-Suchard, the Swiss group which paid 630p per share to increase its stake to 14.9 per cent in the UK chocolate firm, that it was not ruling out the possibility of counter-bidding. Rowntree closed 176 higher at 928p on turnover of

Speculators in food stocks also Rowntree developments included Dalgety, 10 higher at 297p, S. & W. Berisford, 11 up at 365p and Schweppes on hopes of a move by General Cinema of the US, which holds 18 per cent of Cadbury's

The wider economic scene was stocks such as Jamesons Chocosomewhat overlooked in the lates and Bassett were also equity market, but London benefited from the firm start on Wall former rising 12 to 225p and the Street which followed amountoe-later gaining 8 to 231p. ment of a 2.4 per cent gain in US

The RTZ sale and subsequent
Gross National Product in the
Press comment triggered further first quarter of the year.

The stock market took a new-

The stock market took a neu-Enterprise - one leading securi-tral attitude towards the latest ties house was talking of immiquarterly survey of industrial nent takeover developments here opinion by the Confederation of — and LASMO raced up 4 to 372p British Industries, which indicated plans for increased invest-ment but some discomfort in BP and Shell were given a British boardrooms over the major boost by the excellent first

strength of sterling.

The firmness in the pound towards the end of the session had little effect on the interna-

# £2.1bn Swiss bid for Rowntree triggers speculative

excitement in equity sector

FINANCIAL TIMES STOCK INDICES												
	Asr.	AUT.	Agr.	Apr.	Apr.	Year	19	68	Since Co	meliation		
	26	25	22	21	20	Ago	High	Low	High	Low		
Government Sect	89.99	89.89	90.26	91.01	91.09	91.56	91_43 (JB/4)	86.97 (13/1)	127.A (9/1/35)	49.18 (3/1/75)		
Fixed leterest	96.78	97.30	97.75	97.92	97,90	96.35	98.32 0.9/0	94.24	105.4	50.53		
Ordinary 9	1431.3	14133	1411.6	1423.4	1419.4	1589.4	3478.7	1349.0	(28/11/47) 1926.2	0/1/75) 49,4		
Gold Miss	207.1	207.1	205.7	208.6.	216.4	440.1	312.5	205.7	734.7	45.5		
Ord. Div. Vield	4.61	4.62	4.58	4.59	3.66	S.E ACTIVITY			(26/10/71			
Earnings Yid. %(folf)	4.55 11.79	11.96	11.96	11.86	11.91	643	in the	dice	Apr.25	Apr.22		
P/E Ratio (set)(*)	10.38	10.23	10.22	10.31	10.27	14.68	Gilt, Edged I	Linguig	147.5	140.4		
SEAQ Bargains (Spin)		25.366	29,201	21.815	22.769	37,883	Equity Bary	Pales	176.9	195.5		
Easity Toronty (Sm)	-	808.57	1089.61	1083.2	1082.69	1912.51	Squity Value		1634.3	2202.4		
Equity Sergalas		27.297	30.168	25,490	23.536	45,925	SIN Édged!	بعنوساً	1423	143.4		
Shares Traded (mD		322.5	492.7	408.6	404.9	558.7	Equity Bary Equity Valu	245 E	- 169.5 - 2037.5	168.2 2163.9		
▼ Opening 10 a	<del></del> _	11 a.m	7 173	p.m.	1 0.0	7 6	2 p.m.	3 p.m.	7 4	.m. ]		
1413.3 142		1418.4		21.9	1422		422.1	1422.		28.5		
L		Davic	High 14	132 4	Day's	low 14	1133		<del>-</del> -			
Basis 100 Gort. Sec	s 15/10/2							UNIS 1974,	* NII = 10.26			
LOUDON		- :	Basis 100 Gort. Secs 15/10/26, Fixed Int. 1928, Ordinary 1/7/35, Gold Mines 12/9/35, S E Activity 1974, * HII=10.26.  LONDON REPORT AND LATEST SHARE INDEX: TEL. 0898 123001									

FR Group's annual profits of £22.1m exceeded last year's total by 32 per cent but fell short of the more optimistic market esti-mates because of an expansion in with analysts the company was was formed that further growth may be limited and the current year one of consolidation at best.

United Biscuits, a long-standing takeover target, were also in demand and gained 22 to 289p on inrnover of 7.9m, while Ranks Hovis McDougall, in which Goodman Fielder of Australia have a Hopes were also deferred of ossible major business from the US KC135 tanker programme, company, rose 9 to 353p. Other bid chestnuts to benefit from the which appears to have been delayed, and the shares subse-

Northern Foods, 9 to the good at 252p. 274p. Lesser-known confectionery An extremely bullish note on the banks issued by the Citicorp Scrimgeour Vickers banks team headed by Tim Clarke, triggered widespread support for the sector shead of Barclays going ex the rights issue on Friday.

Citicorp says "the fallout from the LDC horror still depresses the sector which we feel is now well placed to provide the stock Contested bid battles for banks are rife all over the world and UK and power a re-rating of the

Barclays added 4 to 438p ahead of the agm and egm. Lloyds, top of Citicorp's buy list, rose 4 to

274p, Midland 3 to 384p West 5 to 535p.

59p premium, having opened at

benefit from takeover speculation and Sun Life, where stories of a market raid and eventual bid from 25.7 per cent shareholder TransAmerica were rife last week, added 10 at 1115p after inter dealer broking screens.

cessful market debut, the shares touching 120p prior to closing at 166p compared with a placing price of 110p. Moorfield Estates settled at 126p against a placing

price of 120p.

Revived institutional buying gave Bass a late boost, the shares rising 11 to 845p, while Allied-Lyons traded briskly throughout to close 4 better at 403p after turn-over of 3.2m shares. Other Brewery majors could do no more than improve in limited volume. Among regional issues, Buckley fell 6 further to 157p.

Tarmac responded to satisfac

positive meeting with analysts to close 5 higher at 250p on turnover

West 5 to 535p.

TSB, also powered by strong support from the Citicorp team, edged up 2 to 102p. Bank of Ireland, quoted ex—rights, were houses as an undervalued stock 14 off at 193p with the new finally 50p promining houses. houses as an undervalued stock-assuming sterling is held in check, rose 17 to 992p awaiting norrow's first-quarter results **Foseco** were favoured ahead of today's preliminary statement

and closed 2 higher at 240p, while Remobil moved up 8 to 191p. Stores issues "were left in the background" dealers said, but included a handful of minor features. Etam, which recently numerous "buy" recommenda-tions from leading brokers, added 4 at 285p following aggressive buying via the inter dealer bro-

Lloyds Chemists, a strong take began their assault on the drug

persistent but generallyminor support - "its all going off in the

LONDON TRADED OPTIONS

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Gelfiness (\*297 )

NEW HIGHS AND LOWS FOR 1988

for some time in the wake of RTZ takeover suggestions ran into occasional profit-taking and Ratners edged up to 263p first thing as the preliminary figures sed back to close 7% cheaper at

profits up 132 per cent and earnings per share up 43 per cent matched best expectations, But the US acquisition of Ostermans for \$60m plus and convertible issue took some of the shine off the shares which then dipped back to close 5 easier on balance at 258p, despite analysts' coming away satisfied from the post-re-

foods and we're suffering " trad-

33 at 861p. Unilever, partly reflecting the fact that it had been mooted as a possible bidder Burton edged higher and set-tied 4 up at 248p while Next hard-ened 3 to 287p. Storehouse remained under persistent light selling which lowered the stock 6 for Rowntree, were also notewor-thy for a rise of 20 at 468p in a more to 273p.

Racal again topped the turn-over list in the heavily-traded leading electronics with 5.4m shares changing hands. The

traded (4.6m) and the shares eased slightly to 246p. Cable & Wireless were given a major fillip by stories that the Hong Kong Government is about to further reduce its stake in Hong Kong Telecommunications, and rose 7

Among second liners Volex jumped 22 to 347p on talk that the group could well be a target for RTZ, while Micro Focus raced up 16 to 158p ahead of the prelim-inary figures tomorrow. Sintrom added 5 more at 97p on the pro-

Apart from the occasional burst of speculative activity, the Engineering sector remained a relative backwater. Rolls-Royce, which is expected to benefit from the full-scale development of the European Fighter Aircraft proj-ect, continued to claim consider-

17

tive recommendations from county NatWest WoodMac and Citicorp Scrimgeour Vickers.

Kwik-Fit recovered from the Fund challenge to "first-fit" service chains, regaining 6 to 1999.

WCRS bounded higher follow-

ing details of the acquisition of a 50 per cent interest in SGCMD, Europe's leading independent media buying group, for an ini-tial consideration of £64.4m. moved higher and the close was 320%p. 15 up at 256p. Yellowhaumer The Rowntree developments, rose 6 more to 176p, while which illustrated the current premium being put on well known encouraged a sharp advance in Olives Paper Mill of 27 to 180p. Filosox gained 6 to 151p but Mas-terlin, 113p, were unaffected by the £2.25m issue of Preference

West Trust, the textile mann facturer, were re-introduced as a new company and both classes of shares fluctuated noticeably. Indications of the likely opening level proved wide of the wark volume of some 3.3m shares. level proved wide of the wark Smith and Nephew (5.3m shares and the old shares raced from 25p trade) ended 1½ dearer at 127½p. to touch 47p before settling at to touch 47p before settling at 33p; the nil-paid ended at 33p prethe general round of takeover fever, moving ahead in a volume of some 5.5m shares to close 11 to up 15 further at 265p, and Muncounter of some 5.5m shares to close 11 to up 15 further at 265p, and Muncounter of some 5.5m shares to close 11 to up 15 further at 265p, and Muncounter of some 5.5m shares to close 11 to up 15 further at 265p, and Muncounter of some 5.5m shares to close 11 to up 15 further at 265p, and Muncounter of some 5.5m shares to close 11 to up 15 further at 265p, and Muncounter of some 5.5m shares to close 11 to up 15 further at 265p, and Muncounter of some 5.5m shares to close 11 to up 15 further at 265p, and Muncounter of some 5.5m shares to close 11 to up 15 further at 265p, and Muncounter of some 5.5m shares to close 11 to up 15 further at 265p, and Muncounter of some 5.5m shares to close 11 to up 15 further at 265p, and Muncounter of some 5.5m shares to close 11 to up 15 further at 265p, and Muncounter of some 5.5m shares to close 11 to up 15 further at 265p, and Muncounter of some 5.5m shares to close 11 to up 15 further at 265p, and Muncounter of some 5.5m shares to close 11 to up 15 further at 265p, and Muncounter of some 5.5m shares to close 11 to up 15 further at 265p, and Muncounter of some 5.5m shares to close 11 to up 15 further at 265p, and Muncounter of some 5.5m shares to close 11 to up 15 further at 265p, and Muncounter of some 5.5m shares to close 11 to up 15 further at 265p, and Muncounter of some 5.5m shares to close 11 to up 15 further at 265p, and Muncounter of some 5.5m shares to close 11 to up 15 further at 265p, and Muncounter of some 5.5m shares to close 11 to up 15 further at 265p, and Muncounter of some 5.5m shares to close 11 to up 15 further at 265p, and Muncounter of some 5.5m shares to close 11 to up 15 further at 265p, and Muncounter of some 5.5m shares to close 11 to up 15 further at 265p, and Muncounter of some 5.5m shares to close 11 to up 15 further at 265p, and Muncounter of some 5.5m shares to close 11 to up 15 further at 265p, and Muncounter of some 5.5m

shares changing hands. The shares estited 2 firmer, at 240p having dipped as low as 237p during the session, despite bouts of strong buying interest and talk that the recent flurry of heavy support in both the stock market could have represented stake—building moves.

Bid speculation revived in Thorn EMI, up 5 at 614p, while RT came to life with a rise of Thorn EMI, up 5 at 614p, while Thorn EMI, up 5 at 614p, while the shares have been overlooked for some time. English China Clays advanced 14 to 419p as speculation for some time. English China Clays advanced 14 to 419p as speculation for contracts rising to 30,936 composed tracked options market could have represented stake—building moves.

Bid speculation revived in Thorn EMI, up 5 at 614p, while Thorn EMI, up 614p, while Thorn EMI, up 614p, while Thorn EMI, up 614p, while Schweppes contracts were active following Nestles' bid for fellow confectionery group Rowntree. Cadbury registered 4,551 calls and 686 puts, the most popular series being the May and August

**Traditional Options** • First dealings Apr 18

group's horrowing to nil which should enhance short-term earn-• For Settlement July 25 left Plumb Holdings 15 dearer at ditional option market yesterday. 23Sp. Cosalt 9 higher at 173p, and Money was given for the call of Triefus, 4 to the good at 95p. Helical Bar, Kwik Save, Cam-Acquisition news prompted a rise ford, RHP, Hard Rock, GM Firth, of 4 to 88p in MY Holdings.

Let Service spurted to a 1888 African Lakes, Charterhall, Debut of 23Sp. 10 february at 10 feb Lex Service spurted to a section of 376p, up 10, following a Beers and BOM Hommes with from Kleinwort Grieveson options were reported but double options were arranged in Helical Adwest.

RISES AND FALLS YESTERDAY

1,45

LONDON RECENT ISSUES

FIXED INTEREST STOCKS Associat Pald UP 1110 1015 99 745 2334 1136 1003-2 652 1059 306 

**"RIGHTS" OFFERS** 

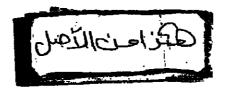
Latesi Remos Data Clasing Price 9 4000 5000 11,000 40,000 52,000 52,000 53,000 54,000 Spin Street 1100 41pm 40pm 24pm 45pm 45pm 15pm 15pm 15pm 15pm

major boost by the excellent first quarter figures from Mobil and Exxon. BP old added 6 to 275p and the new 3 to 77%p. Shell FT - ACTUARIES INDICES

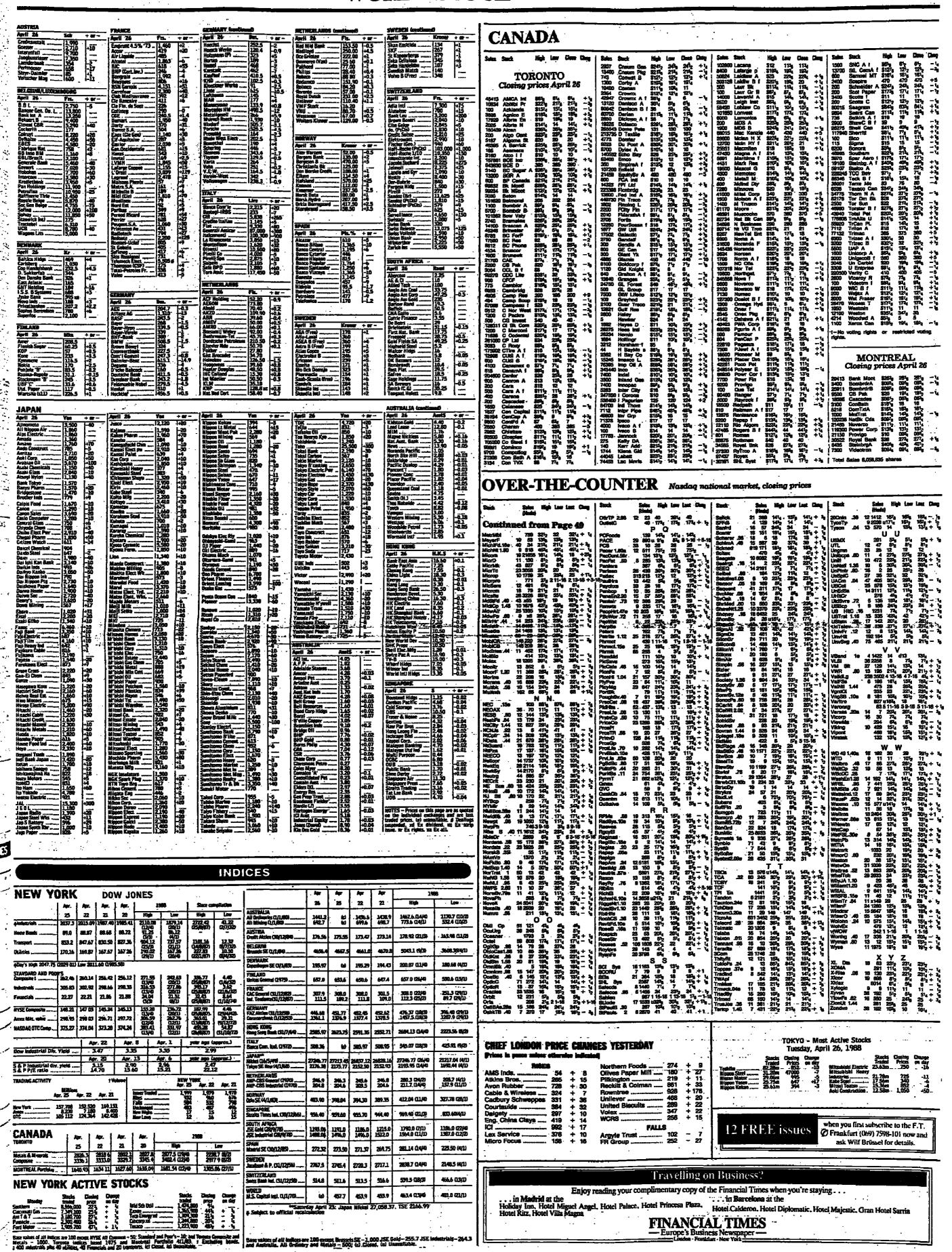
These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS		Tuesday April 26 1988					Moe S	fri Agr 22	Thu Apr 21	Year ago (approx)
Fig	ures in parentheses show number of stocks per section	Index No.	Day's Clange %	Est, Earnings Yield% (Max.)	Gross Div. Yield% (Act at (25%)	Est. P/E Ratio (Net)	nd adi. 1986 to date	Index Ng.	index No.	Index No.	index No.
1	CAPITAL GOODS (207)		+8.8	10,86	3.94	12.44	8.72	752.65		758.83	852.6I
2	Building Materials (29)			19,67	3.62	11.67	7.03	1809.64		1029.21	1867.49
3	Contracting, Construction (34)			1.26	3.32	14.29	17.12				1415.02
3	Electricals (12)	1278.40	+8.7 +8.3	9.71 18.72	4.99 3.47	12.17	23.74 12.47	1983,72 1534,24		2442.38 1544.57	2678.39 1908.62
6	Mechanical Engineering (56)	1337.20	#8.2	16.61	436	12.54	127			398.79	475.51
š	Metals and Metal Forming (7)	4 371.74 451.14	+1.5	7.58	3.91	12.49	1.99	444.62		451.72	46A.93
51	Motors (1.3)	272.97	111	1163	4.49	9.95	4.79	269.96		271,37	124.65
10	Other Industrial Materials (24)	1249.20	+1.2	8,71	4.40	13,71	19.22	1234,41		1245.52	1444.46
21	CONSUMER GROUP (188)	1069.77	+1.7	8.54	3.67	3A.75	6.67	1851.79		1650.85	1171.32
<b>22</b>	Brewers and Distillers (21)	1072.12	+8.5	19.30	3.55	12.35	7.25			1978.73	1107%
25	Food Manufacturing (23)	716.76	+6.0	1.67	3.64	14.77	1.45	844.57		256.56	887.85
26	Food Retailing (16)	2117.31	+0.7	7.77	2.	17.23	12.39	2112.13		2134.54	2125.27
27	Health and Household (1.2)	11783.23	+1.1	4,94	2.67	17.13	4.46			1785.86	2181.41 1248.35
29	Lelsure (30) Packaging & Paper (17)	1443-33	4.4	8.85 9.89	3.71 3.65	15.89	11.44	1272.14		1281.67 487.65	611.67
31 32	Publishing & Printing (16)	3274 54	+8.3	8.35	450	14.92	43.53			3329.84	3537.24
34	Stores (35)	1941.19	10.7	7.17	3.4	14.51	231	132.38		341.46	1033.98
ŝ١	Textiles (18)		45.2	11.16	I.E	10.35	13	503.16		599.19	784.92
40)	OTHER GROUPS (93)	\$63.92	+8.5	14,95	131	11.42	7.39	253.29	151.11	347.86	774.88
41	Agencies (19)	1137.97	-0.1	7,17	2.33	17.94	9.41	1139.15		1148.95	1395.18
42	Chemicals (20)	999.37	+1.5	12.02	4.86	18.20	20.16	994.33	981.80	792.18	1231.34
<b>43</b>	Conglomerates (14)		+1.0	10,07	4.51	11.66	6.65			1150.14	1257.12
45	Shipping and Transport (12)		+8.2	9,81	4.52	13.50	21.37	1875.99		1876.22	1966.90
<u>47</u> (	Telephone Networks (2)		+4.2	11.39	4.34	11.69	0.50	90.2	144.85	%4.K	1076.26
48	Miscellaneous (26)	1116.68		12.76	4.53	9,41	28.12	1117.69		1120.02	1290.03
	INDUSTRIAL GROUP (488)	942.72	+1-1	9.63	3.84	13.69	7.89	132.65	931.38	131.23	1856,65
51	Olf & Gas (12)		+2.4	18.35	5.55	12.48	38.41	1823.96		1848,33	1851.37
59	500 SHARE INDEX (500)	1029.20	+1.2	9.73	4.89	13.80		1007.30			1123.85
61	FINANCIAL GROUP (122)		+8.7		4.92		11.59	63.93	663.19	671.25	792.86
62 j	Banks (8)	620.63	+8.9	24.27	6.55	5.53	17.45	634.88	414.65	623.02	744.43
<u>65  </u>	insurance (Life) (8)	981.30	+0.8	~	511		24.97	973.99	975.99	993.56	952.82
66 67	Insurance (Composite) (7)	538.85 894.21	+0.8 +0.9	19.91	5.49 7.89	11.89	8.48 26.67	534.66 388.19	528.57 892.24	534.5E 893.27	543.65 1137.54
68	Merchant Banks (11)		+6.2	74'37	4.15	11.47	311	346.57	347.54	349.38	34738
69	Property (51)	1155.31	18.4	4.81	2.67	25.40	4.88	1120.68	1152.65	1144.21	1817.91
70 l	Other Financial (30)	389,17	+8.3	9.96	4.29	12.61	3.74	387.63	384.07	389,75	457.79
71	Investment Trusts (82)		+0.4		2.93		5.70	M5.15	843.07	872.B1	954.94
ail	Mining Finance (2)		+4.9	10.03	4.66	11.27	2.81	459.70	448.51	449.04	477.38
	Overseas Traders (8)		+1.0	10.29	5.19	11.41	29,97	1433.28	1031.7	1629,47	944.23
99	ALL-SHARE PIDEX (714)	924.12	+1.1		4.28		19.19	914.25	924.55	923,67	1918.75
		Index	Day's	Day's	Day's	Apr	Apr	45	Age	Apr	Year
_		No.	Change	High	LOW	25	22	<u> </u>	20	19	290
- 1	FT-SE 100 SHARE INDEX 4	1800.8	+23.2	1303.3	1786-8	2777.4	1771.6	1791.9	1786.8	1790.9	2022.1

FIXED INTEREST								AVERAGE GROSS REDEMPTION YIELDS	Twe Apr 26	Mon Apr 25	Year ago (approx.)
	PRICE INDICES	Tine Apr 26	Day's change %	Mon Apr 25	nd act). today	xd adj. 1988 to date	1 2			8.77 9.19	8.15 8.78
3 4	British Government 5 years 5-15 years Over 15 years Irredeemables	140.38 148.64 164.52	+0.13 +0.16 +0.15	123.16 140.19 148.41 164.27	111	3.74 4.46 5.65 6.00	9	High Syears	7.04 7.22 9.38 9.23 9.30 9.53 9.28	9.66 9.25 9.46 9.23 9.33 9.53 9.28 9.03	8.89 9.01 9.02 9.03 9.15 8.97
6	Over 5 years	126.11	+9.18	136.95 125.89 118.53 118.97	1 1 1	0.51 1.18 1.12	11 12 13	Index-Linked Inflation rate 5% Syrs. Inflation rate 5% Over 5 yrs.		2.46 3.81 1.56 3.64	2.92 3.61 2.37 3.50
	Defendants & Laters	119.34 90.69		119.39	<u></u>	4.07	16 17	Behr & 5 years Laran 15 years 25 years	10.74 10.56 10.56	10.74 10.55 10.55	9.87 19.08 19.19
			. !		S R. No.			1791 G- 2 am 1791 6- 3 am 17	9.91	9.92	



## WORLD STOCK MARKETS



Continued on Page 49

## NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Moreid S. J. M. Moreid S. J. M. Moreid S. A. M. Moreid S. A. Mercid S. A. Messel P. 2. Messel S. 即像是说完成者所谓是我们的现在分词,我们也不是一个,我们也不是一个,我们也是一个一个,我们也是一个一个一个,我们也是一个一个一个,我们也是一个一个,我们也可以是 34 140 D 106 DCNY \$1.301 63.6

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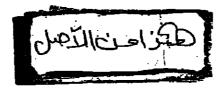
Data 6.7 1.0

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Data 7.0

Data 7.0 235<sub>3</sub> 30% 225 17% 14% 17 IntelPal 26 9.2 14. 156loweiFal 28 9.4 8loweiFal 28 9.4 8loweiFal 28 9.4 8loweiFal 24 9.3 15loweiFal 25 9.5 15loweiFal 26 9.5 15loweiFal 27 15loweiFal 28 15lowe CBI In 80 2 CBS In 2150 3334 4 2014 306 9°1 3379 84°9 5 5374 5 5374 1 123 86°1 1 121 121 1 120 36 2 120 86 2 120 86 1 12 15-18 1 12 15-18 1 12 13-1 1 12 13-1 1 12 13-1 1 13 13-1 1 13 13-1 1 14 13-1 1 14 13-1 1 15 13-1 57g 2214 4 45g 56 3414 1774 145g 2574 5 2 4 4 6 6 3 12 17 4 20 5 1 | Cincide | 1.12 | Asi | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | 1.18 | Septimes | 20 | 35 | 77 | 30 | 34 | 35 | 35 |
Exprise	10	46	25	26	26	27	37
Exprise	25	26	26	27	37		
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### AMERICA

# Blue chip issues lead Dow advance

### Wall Street

LED BY blue chip buying and some strong corporate earnings, Wall Street stocks rebounded yes-terday from a midsession sell-off. although the market did not regain its earlier highs, writes Deborah Hargreaves in New York

The credit market firmed slightly during the day, as trad-ers covered some short positions in the US Treasury bond market after the Government's estimate of first quarter Gross National Product. But the bond market kept within a narrow range and trading was quiet.

However, with a seasonally adjusted rise of 2.3 per cent, GNP was in line with market expectations in contrast to other economic data released recently, such as March consumer and producer prices and the February trade deficit, which were big disappointments for the market.

The Dow Jones Industrial Average closed at 2,044.76, up 8.79 Average closed at 2,044.76, up 8.79
points, regaining momentum in
the last hour of trading after
eroding its early gains. Broader
market indices also put in a
strong showing, with the Standard & Poors Composite up 1.47
points at 263.93 and the New
York Stock Exchange Composite
up 0.72 to 148.93.

INTEREST remained subdued in
Johannesburg yesterday and
stocks closed little changed after

with some 152m shares changing hands and advancing issues leading decliners by a ratio of three-to-one. higher on limited overseas buy-ing as the bullion price drifted

at \$114%. Merck, the drugs maker, gained \$1.50 to \$158% and McDonalds was up \$1 at \$43%.

American Telephone and Tele

graph lost \$% to \$26%, following the announcement late on Mon-day that Mr Vittorio Cassoni would step down as head of its computer division and return to Italy's Olivetti. That was interpreted by some analysts as a sign of tension between the two com-

Strength continued in the oil sector after five leading compa-nies reported substantial increases in first quarter earnings on Monday and Opec began talks with non-member producers in a hid to bolster prices. Texaco lost \$% to \$48% despite yesterday's announcement of a rise in its first quarter income to \$1 from 49 cents in the same quarter

Exxon was up \$\% to \$32\%. Mobil added \$\% to \$48 and Amoco rose \$% to \$78%.
Among companies reporting quarterly earnings, Cincinnati Milacron, the machine-tool maker, rose \$% to \$22% on news that its first quarter operating

profit had risen to 20 cents per share from 13 cents a share in the

### SOUTH AFRICA

York Stock Exchange Composite
Up 0.72 to 148.93.
NYSE volume was moderate
Up 0.72 to 148.93.
Stocks closed little changed after a day of lacklustre trading amid an absence of fresh incentives.
Gold stocks closed marginally

However, Hartebeest eased 25 cents to R19 and Elandsrand closed at R13.85, a loss of 15

Among mixed mining houses, Anglo American eased 50 cents to R47.25. Gencor rose by 50 cents to R48.5 while GFSA finished 25 cents higher at R49.25.

Industrial shares also closed mixed. Messina rose 35 cents to R13.75 while SA Breweries abed 50 cents to finish at R16.

Quaker Cats, the food company, was up \$2½ to \$47%, Baxter Travenol, the laboratory-maker, gained \$½ to \$22½ and Mesa LP, the cil and gas exploration company, was up \$½ at \$12½ after all reported higher quarterly earnings.

In the takeover area Lucky In the takeover area, Lucky some to cover short positions. In the takeover area, Lucky some to cover short positions, stores rose \$1% to \$55% after the company said it had received early trading, but prices another takeover offer. Lucky remained within a narrow range, said the offer was in connection with its effort to find alternatives to American Stores' \$45-a-share to Cover short positions. tender offer and \$50-a-share nomic advisers, said he did not

tender other and coordinates think a recession or an upsurge metertad. Micom Systems, a data commu- this year. First quarter GNP fignications company, increased ures showed no resurgence of \$2\% to \$15\% in over-the-counter inflation, he said, warning that trading after the company said it overall demand growth must received a takeover offer. Rhodes, slow to an appropriate and susa home furnishings firm, gained taina \$1/4 to \$22 after it agreed to be acquired by Green Capital Investainable pace to keep inflation at

regulared by Green Capital Investors for \$242.4m.

Aside from some shortcover
ng, the credit markets were little closing unchanged after eroding affected by yesterday's Gross earlier gains at 98% with a yield National Product figure with at 9 per cent. The Fed funds rate trading remaining quiet in was steady at 614.

### Canada

points at 3344.00, and declines outpaced advances 440 to 364. Volume was a light 19.5m shares. Noranda said it intends to maintain its price for overseas

BASE METALS advanced, but other prices closed mixed, off the day's highs. The composite index was up 7.9

sales of zinc at \$1,050 per tonne, \$20 above most producers. The price of zinc on the Lon-

don Metal Exchange hit \$1,090 before easing back. Noranda

# Nikkei edges up to second high

### Tokyo

WAIT-AND-SEE mood strengthened its hold in late trading, as the Nikkei average rose moderately to hit another all-time high in Tokyo yesterday, writes Shigeo Nishtwaki of Jip

The Nikkei average closed 33,32 higher at 27,246.77, scaling a new peak for the second day running, after moving between a high for the day of 27,339.14 and a low of 27,190.52.

Volume expanded steadily from the previous day's 871m to 1.06bn shares. Advances outnum-bered declines by 474 to 432, with

With the start of trading for May settlements, the market opened stronger in dealer-led activity. Non-residents, business corporations and individuals

Some investors were encouraged, however, by the Bank of

Japan's purchase of Y200bn worth of one-month commercial bilis - a move interpreted as an indication of easy credit conditions to come

Large-capital stocks closed weaker. Nippon Steel shed Y7 to Y470, after opening Y3 up on the previous day's close, on the sec-ond biggest volume of 31.20m

Figures in paren

per grouping

Austria (16

Denmark (39) Finland (25).

Haly (102)

Japan (457) .. Malaysia (36)

Norway (25

Spain (42)

Sweden (38) ... Switzerland (5)

Furgoe (2014) Pacific Basin (676) .. Euro-Pacific (1690) .

Netherland (38) ... New Zealand (22) .

Singapore (26)..... South Africa (60) .

United Kingdom (330)

North America (709). Europe Ex. UK (684). Pacific Ex. Japan (2)

Pacific Ex. Japan (219) World Ex. US (1890) ...

World Ex. So. Af. (2413)

and Hitachi losing Y20 to Y1,460.

The high-technology sector eased on small-lot selling. Matsushita Electric Industrial was unchanged at Y2,780, while Sony plunged Y100 to Y5,500 and NEC fell Y40 to Y2,190.

In contrast, foods and department stores were firmer. Asahi Breweries climbed Y50 to Y2,340 on strong sales of beer, Morinaga gained Y27 to Y850 and Sogo, a major department store chain, rose Y60 to Y1,430.

Expectations of higher non-ferrous metals prices gave related stocks a helping hand. Mitsui Mining and Smelting strength-ened Y14 to Y464 and Nippon Light Metal improved Y19 to

Y888. Elsewhere, Aoki, a large con-

on the new issue is set at 4.5 per cent — unchanged from that on the April issue — the April and May issues, worth Y2,000bn, would replace as bellwether bonds the 5.0 per cent govern-ment bond due in December 1997. The April issue, therefore one biggest volume of 31.20m shares, while Nippon Kokan was down Y3 at Y394 and Mitsubishi Heavy Industries was off Y11 at Y725.

Toshiba Corp remained the most active stock, with 82.28m shares traded, but ended Y10 rent finish to 4.440 per cent.

TUESDAY APRIL 26 1988

Sterling Index

95.47 72.36 99.25 98.20 95.05 100.89 70.71 60.59 80.86 95.36

60.70 137.50 102.64 105.43 86.18 61.09

102.62 86.98 98.48 120.18 96.37 62.95 110.59 84.87

86.50 133.61 114.77

85.58 71.58 86.72 114.03 102.02 102.80

86.11

102.78

Dollar Index

120.74 91.51 125.52 124.20 120.20 127.60 89.42 76.63 102.27 120.60

133.34 108.99 77.26 129.78 110.00

124.54 151.99 121.86 79.61 139.86 107.34

109,40 168,97 145,15 108,24

90.53 109.67 144,22

129.98

Change %

9-04-64-3-9-1-3-7-9-1-3-

+0.8 +0.0 +0.3 +0.6 +0.5 -0.1 +0.3 +0.3

+0.6

+0.4

### Hong Kong

MODERATE trading in Hong Kong left stocks lower, as over-seas institutions took profits before the US Gross National Product figures.

tious as the release of Hong Kong's March trade data

After trading closed, the Government announced that domes-tic exports had fallen 3 per cent compared with the same month ast year and were up only 3 per

maturing in 10 years, which are to be fixed today.

The dominant view among dealers is that, if the coupon rate on the new issue is set at 4.6 per

The dominant view among dealers is that, if the coupon rate on the new issue is set at 4.6 per

76 cents after a placement of 300m new shares at 73 cents each. Shun Tak, which bought 70m of \$\$1.39 as 1.1m shares changed the Semi-Tech shares, gained 2½ hands.

THE POSITIVE effect of Wall and marketing group, slipped 4 Street's gains on Friday and Moncents to S\$4.66 in spite of Mon-

Other heavy electricals also lost strength, with Mitsubishi Electric declining Y16 to Y750 and Hitschi losing Y26 to Y250 and Y26 to Y250 and Y26 to Y250 and Y26 to Y250 and Y26 to Y250

The Hang Seng index lost 37.78

to 2.585.97.

stepped up buying in the morning, encouraged by a steady overing, encouraged by a steady overing encouraged by a steady for the friends and the Hong Kong Govering ent on February this year.

Utilities were hardest hit, amid
rumours that Britain's Cable &

Wireless and the Hong Kong Govering encour of Hong Kong of the INVESTORS showed little intersount

### Australia

Foreign investors showed little nterest, reinforcing local institutions' nervous moo Among market leaders, BHP ained 2 cents to A\$7.76 and Elders IXL rose 7 cents to A\$2.97. Qintex added 5 cents to A\$4.50.

despite news that it will have to sell three television stations. News Corp shed 5 cents to A\$13.90 and Bond Media fell 1 cent to 55 cents.

Western Mining dropped 18 cents to A\$5.30, despite the A\$63.5m first quarter profit posted by Alcoa Australia, in which it owns a 42.5 per cent

Elders Resources, which will soon merge with NZ Forest Prod-ucts, shed 2 cents to A\$2.43.

quiet trading.
The Straits Times Industrial
Index lost 3.18 to 956.42, after some profit-taking late in the day. Turnover dropped to 13.5m

from 19m.
Shipping group NOL was again active, ending unchanged at

Sime Darby gained 2 cents to S\$2.72 on turnover of about 1m

128.53 91.94 120.94

124.78 112.83

119.43

112.69 95.52 134.86 125.71 168.63 111.25 121.67 96.75 135.09

106.06 116.99 135.15 126.95 127.40

FT - ACTUARIES WORLD INDICES

Jointly compiled by the Financial Times, Goldman, Sachs & Co., and Wood Mackenzie & Co. Ltd.. in conjunction with the Institute of Actuaries and the Faculty of Actuaries

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91.16 84.35 99.14 107.06 111.42 106.78 72.77 64.90 104.69 133.61 107.83 95.23 64.42 98.55 97.99 118.16 130.73 76.92 76.92 723.09 99.19

97.01 130.81 120.36 99.78 90.27 87.51 120.26

Street's gains on Friday and Mon-day evaporated as the gold price day's announcement of a 1987 fell, leaving stocks in Sydney profits rise of 82.3 per cent to mixed after a thin day's trading. S\$68.5m on turnover slightly The All Ordinaries gained 4.6 down at S\$438m from S\$456m.

## **UK** funds 'confident' about US investment

By Allson Mailland

BRITISH fund managers remain confident about the long-term potential of US equi-ties despite the October crash, according to a survey by Broadgate Consultants, a New York subsidiary of Londonsed brokers Hoare Govett. In the short-term, however, Japan is seen as far more promising, according to the stryey of 50 UK institutional alysis and fund managers. Most of the respondents revealed that their portfolios were substantially underweight on US equities after the heavy selling that followed the

IIK investors sold a net \$16.6hm of foreign equities in the fourth quarter of last year, of which \$5bn was US stock, according to a recent study by Salomon Brothers, the US investment banking and secu-

rities firm.
In the Broadgate survey, only 10 per cent said their firms currently had more than a quarter of their investments in the US, when American equities represent about 31 per cent of world market capitali-zation. Half the respondents said only 5 to 10 per cent of their assets were in the US. But 72 per cent said they would be showing greater interest in US companies in the next three years, against only 2 per cent who would show less interest.

The immediate drawbacks included the possibility of a US economic recession, with 82 per cent saying they were greatly concerned about this. greaty concerned about this.
Seventy-eight per cent also cited the quality of management as a major concern, and 54 per cent pinpointed the quality of corporate disclosure.
Meanwhile, Japan presents good or excellent investment opportunities over the next six months, according to 46 per cent of the respondents. Only

As for continental Europe, only 18 per cent believed that prospects were good over the coming six months, while 48 per cent saw them as fair and 22 per cent as poor.

28 per cent said the same of the US

# Takeover activity injects interest as Paris recovers

TAKEOVER news and the over-night gains on Wall Street gave an impetus to markets in Europe yesterday, but the impending US gross national product figures hung over trading and held some investors back.

PARIS made a strong recovery from its setback on Monday as foreigners stepped in to pick up bargains and takeover speculation sparked off fresh interest. The Indicateur de Tendance, which had lost 2.3 per cent on Monday after the first round of the presidential election, rose 2.1 per cent to 111.5. Turnover remained moderate at about Monday's level of FFr1bn.
Blue chips that attracted buying included Peugeot, up FFr30 at
FFr1,060, and Michelin, which
rose FFr5 to FFr188.50 after

recent lesses.

Compagnie du Midi more than made up Monday's fall by rising FFr70 to a year's high of Ffr1.810. Parihas, regarded as a possible "white knight" for Midi in the event of a hostile takeover bid by Italy's Generali, added

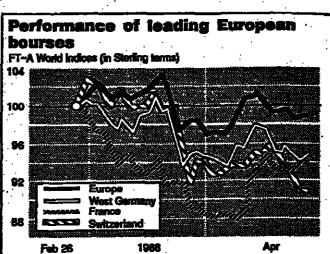
bid by Italy's Generali, added Telecommunications stock SAT, in which Matra has announced it holds a 15 per cent

stake, soared FFri41, or 19 per cent, to a 1988 high of FFr880 on Metals group Penarroya was one of the most active stocks, ending FFr5.95 higher at FFr45.45 after last week's announcement that it would merge its activities with Preussag of West Germany.

ZURICH was boosted by Nes-tle's bid for Rowntree of the UK and by Wall Street's advance on Monday and the firm dollar. Turnover picked up but some investors were cautious aboutthe US GNP data, which were released after the close. The Crédit Suisse stock index rose 5

Nestlé bearer lost SFr30 to SFr8,400 after Rowntree rejected its 22.1bn offer worth 890p a share as unwelcome. But rival Jacobs Suchard, which bought 14.9 per cent of Rowntree in mid-April at 630p a share, rose SFr275 to SFr8.225. Jacobs announced a one-for-five rights issue to raise

AMSTERDAM had a quiet day awaiting the US data, which turned out to be much as expec-ted and left the market unrufiled. Speculative stocks injected a litter of the life and the CBS all-share were cautious about what mea-within three years.



trend index added 0.3 to 84.4. Textiles stock Nijverdal-Ten Cate rose F1 2.30 to F1 90.20 on high turnover amid speculation it

might be a takeover target; among suggested suitors were Akzo and Du Pont of the US. Nijverdal itself has said it is interested in US acquisitions.

Royal Dutch added Fl 250 to Fl
281, lifted by Exxon's 36 per cent

rise in first quarter profits.

FRANKFURT continued lower in thin and listless trading, with the FAZ index shedding 5.09 to Daimler was a major loser, dropping DM14.90 to DM615.10 after hitting a low of DM610 fol-

siter hitting a low of DM610 following a negative magazine artisures would be taken to reduce the budget deficit.

Subsidiary eased 30 pfg to DM204.70 after announcing steady 1987 profits.

Chemical Hoechst, which said net profit rose 16 per cent last year and proposed an extra DM1 anniversary dividend, eased DM2 to DM252.50.

Machinery maker Linde lost in active trading, with the Affairs-

Machinery maker Linde lost in active trading, with the Affars-DM10.50 to DM615 after rising variden index gaining 7.8 to 808 DM12.50 on Monday on prospects on turnover of SKr408m as foreigners showed buying interest.

year yields since January. BRUSSELS closed narrowly
MILAN was still in a holiday mixed in light trading. The Brus

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Sec. 22.23

LONDON was set alight by the takeover offer for Rowntree Mackintosh from Nestle of Switzerland, with the FT-SE 100 index breaching the 1,300 level, rising 23.2 to 1,800.8. Textile company Courtaulds was boosted by speculation of a takeover bid from Hoechst of Germany or Du Pont of the US. Rumours also pushed up Cadbury Schweppes, focusing on a possible move by General

Cinema of the US.

Bonds fell in thin trading, with the yield on the 6½ per cent 1998 bond rising to just over 6.37 per cent, the highest for federal 10-BRUSSELS closed narrowly

mood after Monday's break for the National Day of Liberation.

Trading was very quiet and stocks closed slightly firmer. The MIB index gained 0.57 per cent to 1,050.

Those investors who returned the light training. The Russian Stock index closed down 11.09 at 4,656.47.

Générale de Banque dipped BFr40 to BFr5,460 after announcing it is to join Amsterdam-Rotterdam Bank to form a multination of the light training. Those investors who returned tional integrated banking group

At the Society's Annual General Meeting on 26th April 1988 in Newcastle upon Tyne, Chairman The Viscount Ridley reported that in an era of change in the financial and housing world, Northern Rock had taken full advantage of the opportunities to achieve record results and extend its range of customer

impressive by any standards. Key points emerging from the meeting Record **Profits Profits** 

Performance had been

before tax were a record £27.5 million - an increase on 1986 of 17.7%.

Remarkable Strength General Reserve stood at £99.8 million, representing a

5.26%, placing Northern Rock among the strongest of UK Building Societies in

protecting its investors' funds. Growth Achievement Assets increased by 11.36%

over the previous year to pass the £2 billion milestone, totalling £2.016 million at the year's end.

Total mortgage lending in 1987 amounted to £380 million and 45% of all new mortgages went to first-time buyers.

### The Future

The Viscount Ridley also stated that the Society is now well placed for the future and to further extend its range of services through its subsidiaries Northern Rock Housing Trust, Northern Rock Property Services and Rock Asset

ORTHERN ROC BUILDING SOCIETY People with your interest at heart.

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### 2.31 129.50 102.39 The World Index (2473).